

Productivity Land Assessment of land owned by Rippon Holdings Limited and Rippon Investments Limited at Cromwell.

1 Background

Rippon Holdings Limited and Rippon Investments Limited (RHL&RIL) intend to make an application for referral under the Fast-track Approvals Act 2024 (FTAA) for statutory approvals associated with a master-planned residential and commercial extension to the Shannon Farm development at Cromwell, as shown in Figure 1 (the Site).

RHL&RIL have engaged Stuart Ford of The AgriBusiness Group (TAG) to prepare a productive land assessment to accompany their application. The Productive Land Assessment addresses issues detailed in the Otago Regional Council’s Operative Regional Policy Statement 2019 (ORC ORPS) and the Proposed Regional Policy Statement 2021 (ORC PRPS), both of which concentrate on the protection of high value soils, and retaining the capacity to undertake rural production activities that provide for the social and economic wellbeing of rural communities. This assessment also addresses issues raised in the Central Otago District Plan (CODP) regarding protection of the soil resource to meet the needs of present and future generations.



Figure 1: The area of the site. (approximately 70 hectares of land)

As can be seen from Figure 1, approximately 69.8 ha of the Site has been operating as a Cherry Orchard, having been progressively developed since 2014. Cherry production operations ceased on the Site after the completion of the 25/26 season.

The Site is located to the West of SH 6 amongst a range of lifestyle blocks and orchards that produce Summerfruit, Pipfruit and vineyards. Immediately to the East across SH6 is the Cromwell Township, with the land directly across the state highway zoned as Medium Density Residential under the Central Otago District Plan.

1.1 The Proposal

The proposed development is depicted on the Indicative Masterplan, as seen in Figure 1. The indicative yield is 755 residential lots of varying scale (200 – 1,000 sqm) plus an industrial precinct (5.19 ha) and a retail precinct (3.1ha) and areas of green corridor, buffer and open spaces as well as three neighbourhood parks.

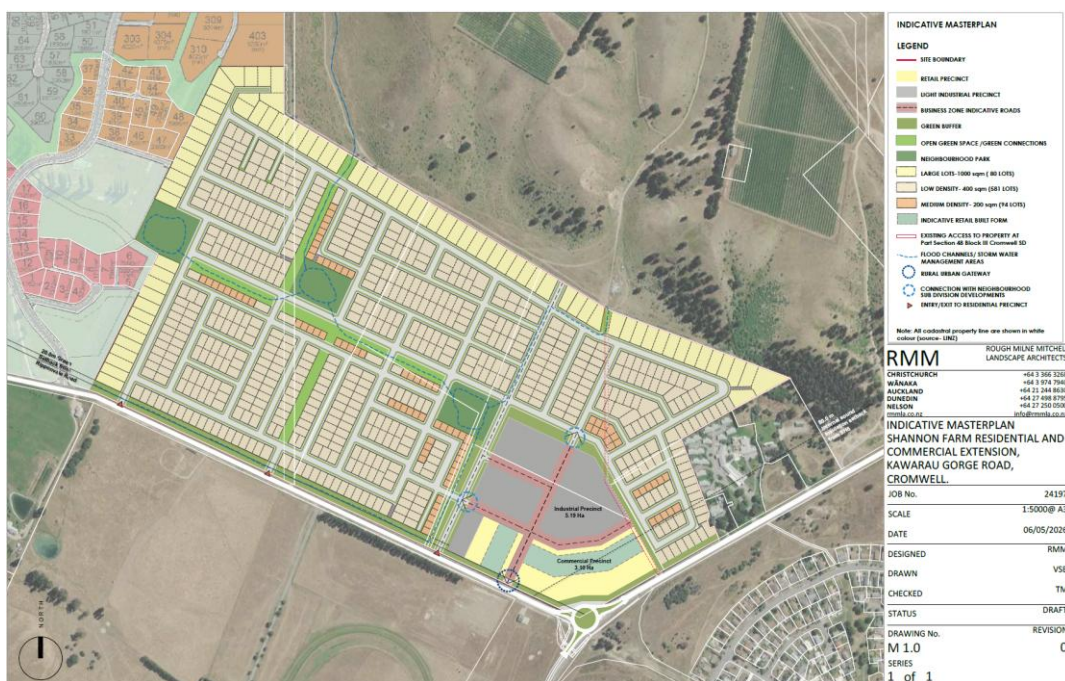


Figure 2: Draft Outline Development Plan

2 Soils

2.1 Description

Error! Reference source not found. is a screenshot of the data held in the Manaaki Whenua Landcare Research's online portal of soils in New Zealand - SMap¹ of the approximate area of the

¹<https://smap.landcareresearch.co.nz/maps-and-tools/app/>

Site I am confident that

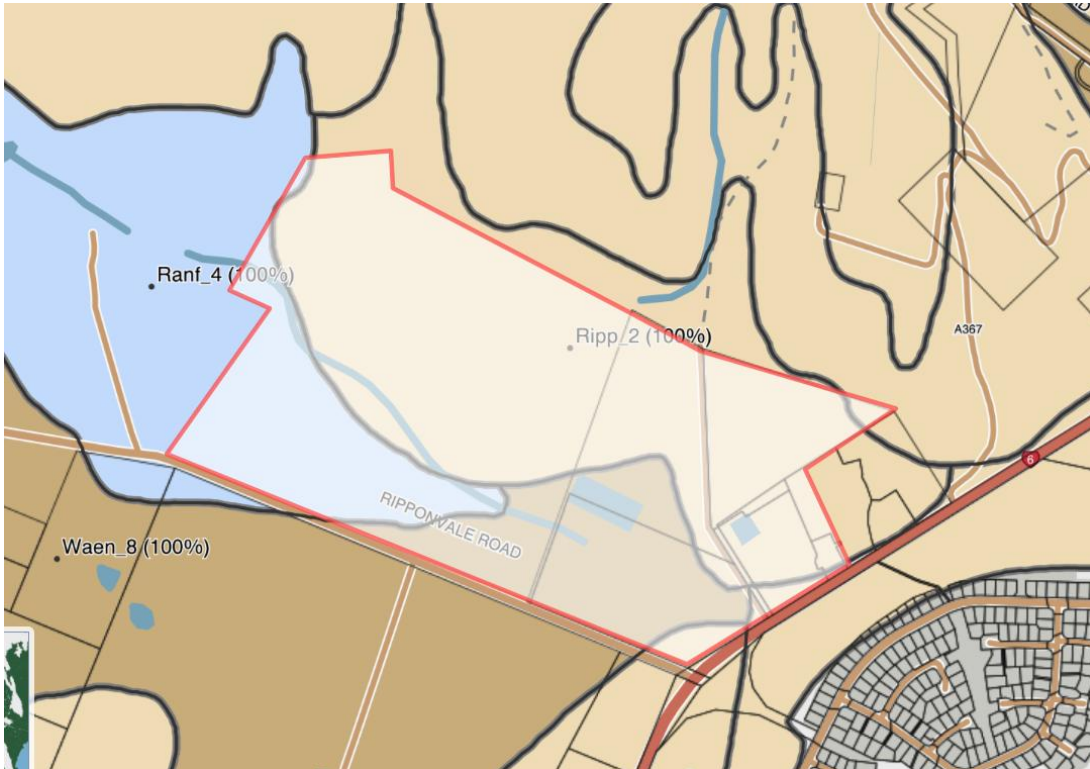


Figure 3 is able to give us a sound understanding of the nature of the soils.

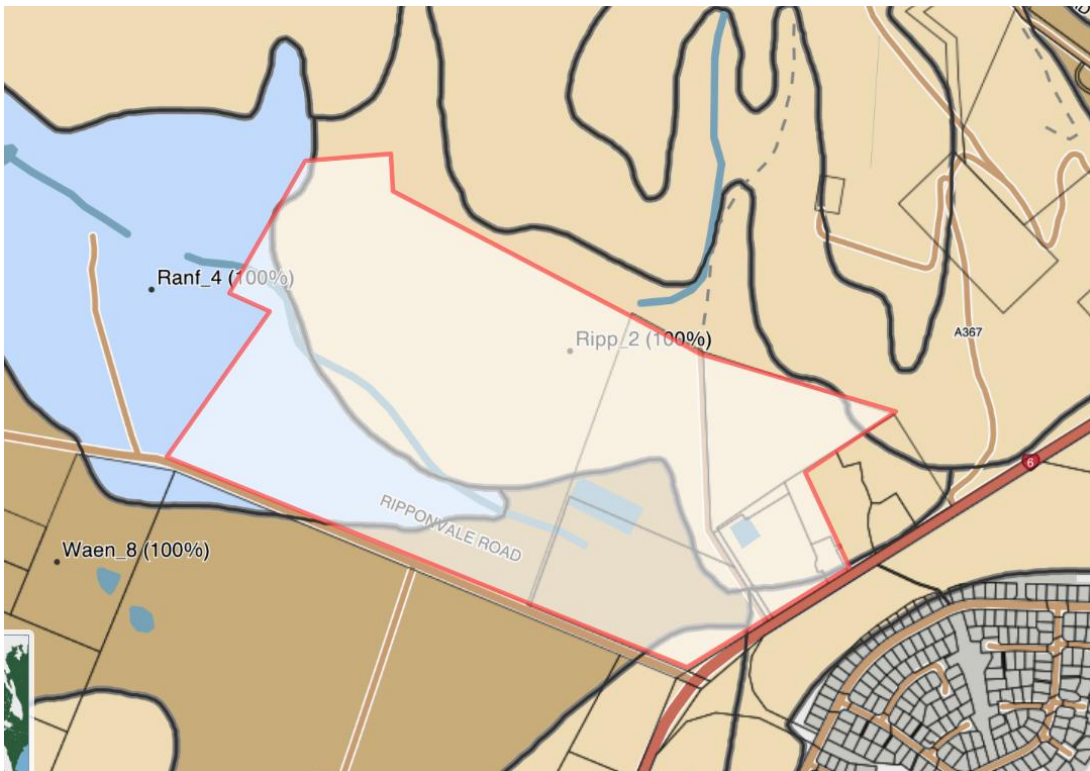


Figure 3: Soils on the Site as mapped in SMAP

Error! Reference source not found.2 lists the soils on the Site which is shown in

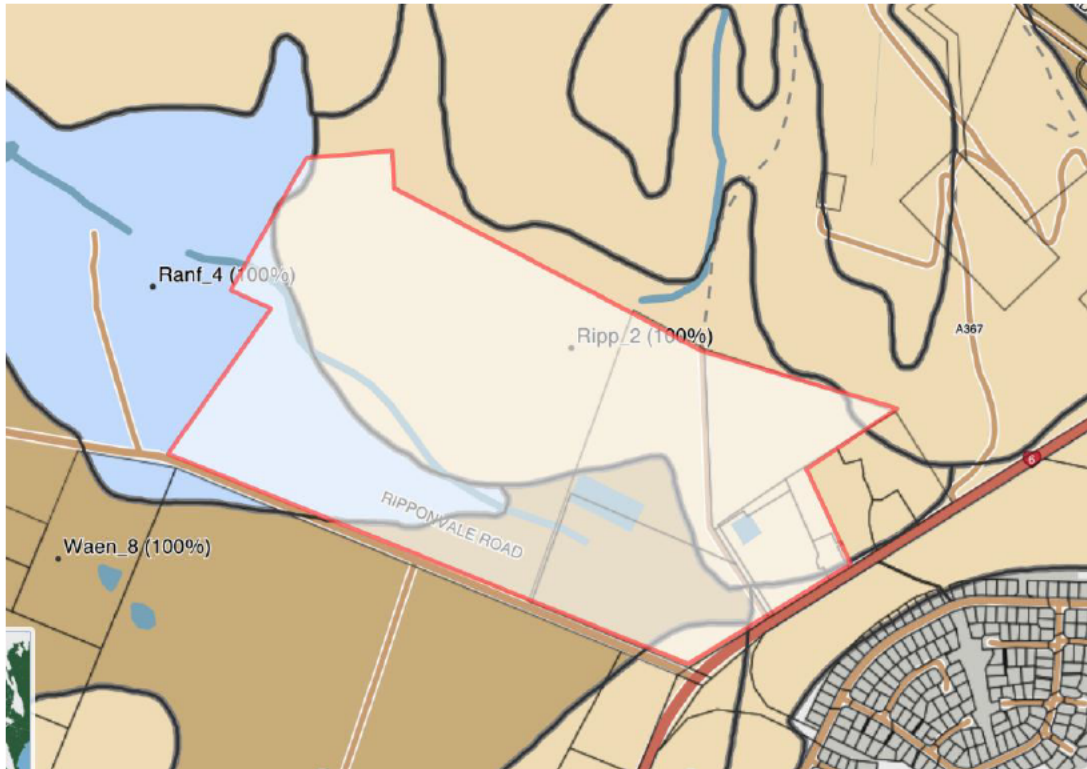


Figure 3 by sibling description, area and proportion.

Table 1: Soils on the Site by sibling description, area and proportion

Sibling	Area (ha)	Proportion (%)
Ripp_2a.1	40	61
Waen_8a.3	12	19
Ranf_4a.1	12	18
Moly_9a.1*	4	2

*Represents a range of soils which are each below 1 ha in size.

Definitions of the key soils physical properties that are listed in the SMAP fact sheets² for the soils that are present on the Site are shown in **Table 2** .

Table 2: Description of soils on site

² <https://smap.landcareresearch.co.nz/maps-and-tools/factsheets>

Soil Name	Ripponvale	Waenga	Ranfurly	Molyneux
SMap Name	Ripponvale_2a.1	Waenga_8a.3	Ranfurly_4a.1	Molyneux_9a.1
Depth Class	Shallow (0 - 45 cm)	Shallow (20 - 50 cm)	Moderately deep (35 - 55 cm)	Shallow (20 - 45 cm)
Rooting Depth	Unlimited	No significant barrier within 1 m	35 - 65 (cm)	Unlimited
Depth to stony layer	Shallow	Shallow	Moderately deep	Shallow
Texture Profile	Loam	Loam	Loam	Sand
Topsoil Stoniness	Stoneless	Moderately stony.	Stoneless	Slightly stony.
Drainage Class	Well drained	Moderately well drained.	Imperfectly drained.	Well drained
Profile Available Water (0 to 100cm)	Moderate (99 mm)	Moderate (103 mm)	Moderate (104 mm)	Moderate to low (89 mm)

The Ripponvale and Waenga soils, which make up the majority of the area of the Site (79%), are very similar in their properties in that they have:

- shallow topsoils with very deep rooting depth;
- are loams that are stoneless or moderately stony; and
- are well to moderately well drained with a moderate Profile Available Water ³ holding capacity.

The Ranfurly soils which make up 19% of the soils are very similar to the Ripponvale and Waenga soils with the major differences being that they are classified as having a shallower rooting depth, being moderately deep and have imperfect drainage but they have a very similar Profile Available Water.

The soil order which these soils belong to is the Semiarid soil order in the New Zealand Soils Classification.

There are reported⁴ to be 207,830 ha of semiarid soils within the ORC area. These soils are abundant on the flats to the West and North of Lake Dunstan up to about Luggate below Lake Wanaka. Although they are not naturally fertile soils, they have historically been popular for horticultural development because of their free draining nature which means that with the addition of irrigation capability and fertiliser they are able to be managed to achieve horticultural production. Without irrigation, these soils are not well suited to anything beyond extensive pastoral use. Their moderate profile available water (PAW), combined with unreliable rainfall, limits their ability to sustain highly productive pastures, particularly during prolonged dry periods.

These soils are all theoretically suitable for horticulture if they have access to sufficient irrigation water and if not, they are only suitable for extensive pastoral land uses.

³ Profile Available Water (PAW) is a measure of the soils ability to retain water which is expressed as mm of moisture held in cm of depth.

⁴ Landcare Research : Regional analysis of the Fundamental Soil Layer.

2.2 Land Use Capability

The Land Use Capability (LUC) Classification is defined as a systematic arrangement of different kinds of land according to those properties that determine its capacity for long-term sustained production. Capability is used in the sense of suitability for productive use or uses after taking into account the physical limitations of the land.

The LUC Classification has three components – LUC Class, LUC Subclass, and LUC Unit – each of which is represented by a number or symbol.

The LUC Class is the broadest grouping of the capability classification. It is an assessment of the land's capability for use, while taking into account its physical limitations and its versatility for sustained production. There are eight classes, denoted by Arabic numerals, with limitations to use increasing, and versatility of use decreasing, from LUC Class 1 to LUC Class 8. LUC Classes 1 to 4 are suitable for arable cropping (including vegetable cropping), horticultural (including vineyards and berry fields), pastoral grazing, tree crop or production forestry use.⁵

Almost all of the Site is classified as LUC 3, with the exception of a small portion (approximately 1 ha) of the area on the eastern extent being LUC 4. (see 5).

I note that AgFirst⁶ has reported that of the available farmland within the Otago Region that there is 335,364 ha of LUC 3 land.

The data which is available on Land Use Capability (LUC) in the New Zealand Land Resources Inventory Series (LRIS) Portal is shown in 5.

⁵ Lynn IH, Manderson AK, Page MJ, Harmsworth GR, Eyles GO, Douglas GB, Mackay AD, Newsome PJF 2009. Land Use Capability Survey Handbook – a New Zealand handbook for the classification of land 3rd ed. Hamilton, AgResearch; Lincoln, Landcare Research; Lower Hutt, GNS Science. 163p.

⁶ AgFirst (2017): Analysis Of Drivers And Barriers To Land Use Change. A Report prepared for the Ministry for Primary Industries

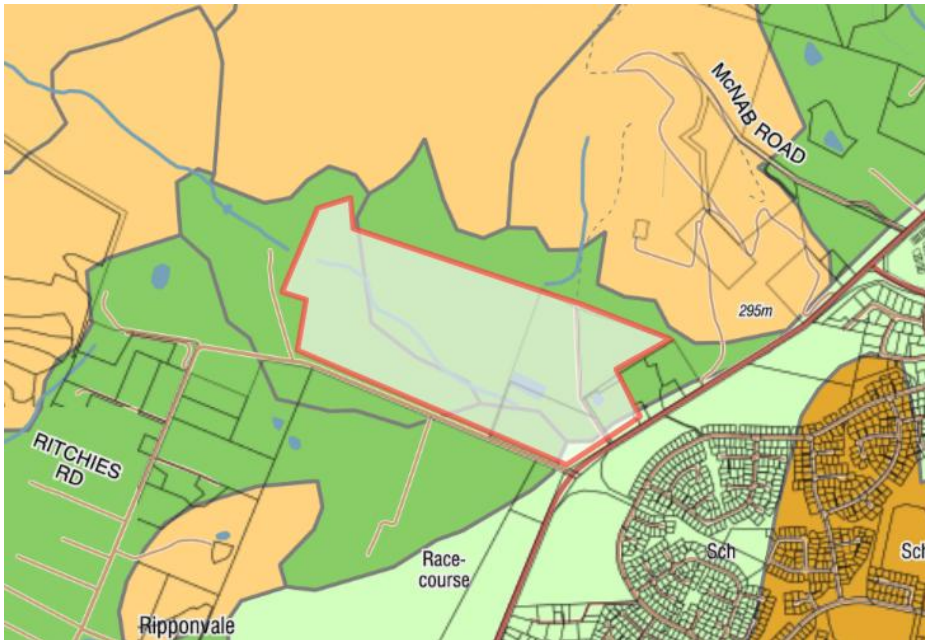


Figure 4: Land Use Capability (Green is LUC 3, Light Green is LUC 4)

2.3 The National Policy Statement for Highly Productive Land (NPS-HPL)

The NPS-HPL defines (in clause 1.3) *highly productive land* as land that is mapped in accordance with clause 3.4 and included in an operative regional policy statement in accordance with clause 3.5. Until these maps are included in an operative regional policy statement, clause 3.5(7) identifies land that is to be treated as highly productive land.

As the ORC hasn't mapped the land in accordance with clause 3.4 the definition reverts to the definition in clause 3.5(7) which states that:

7. Until a regional policy statement containing maps of highly productive land in the region is operative, each relevant territorial authority and consent authority must apply this National Policy Statement as if references to highly productive land were references to land that:

a. is:

- i. zoned general rural or rural production at the commencement date; and*
- ii. LUC 1, 2 or 3; but*

b. is not:

- i. identified for future urban development at the commencement date; or*
- ii. subject to a council initiated, or an adopted, notified plan change to rezone it from general rural or rural production to urban or rural lifestyle at the commencement date; or*

iii. subject to a resource consent application for subdivision, use or development on LUC 3 land for any activity other than rural lifestyle, where that consent has been lodged at or after the commencement date.

Although the Site includes land zoned rural, which is classed as LUC3, it will (by this proposed application) be subject to a resource consent for subdivision and therefore will not meet the definition of highly productive land for the purposes of the NPS-HPL at the time the application is made and determined.

555 Thus I have not considered that the Site is to be considered under the NPS-HPL as this application is not for rural lifestyle, but rather, is an application for a comprehensive urban subdivision and development, which is explicitly provided for under Clause 3.5(7)(b)(iii).

2.4 Planning Issues Addressed

To inform this assessment, I have considered the relevant planning framework, as contained in the ORC ORPS, ORC PRPS, and CODP. The planning issues which this productive land report responds to are grouped into two themes, Soils and Contribution to the Social, Economic and Cultural Wellbeing of the community as shown in **Error! Reference source not found.**

Table 3: Planning Issues Addressed in this Productivity Assessment.

Authority	Reference	Nature
Soils		
ORC ORPS	Part B: Policy 3.1.7 Soil values	Safeguard the life-supporting capacity of soil and manage soil to: c) Recognise that urban and infrastructure development may result in loss of soil values.
	Part B: Policy 3.2.18 Managing significant soil	Manage areas of significant soil, by all of the following: b) Recognising that loss of significant soil to urban development may occur in accordance with any future development strategy;
ORC PRPS	Objective: LF-LS-O11 – Land and soil	The availability and productive capacity of highly productive land for primary production is protected from inappropriate use and development now and for future generations.
	Policy: LF-LS-P17	Soil Values: Maintain the health and productive potential of soils, to the extent reasonably practicable, by managing the use and development of land in a way that is suited to the soil characteristics and that sustains mauri through healthy: (1) soil biological activity and biodiversity, (2) soil structure, and (3) soil fertility.
CODP	Objective 4.3.7 -Soil Resource	To maintain the life-supporting capacity of the District's soil resource to ensure that the needs of present and future generations are met.
	Policy 4.4.6 – Adverse effects on the Soil Resource	To ensure that the location, construction and/or operation of land use activities and subdivision make adequate provision for the protection of the soil

		resource by avoiding, remedying or mitigating the adverse effects of practices which may cause: c. Loss of soils with special qualities,
	Policy 4.4.10 – Rural subdivision and development.	To ensure that the subdivision and use of land in the Rural Resource Area avoids, remedies or mitigates adverse effects on: e. The loss of soils with special qualities,
Contribution to the Social, Economic and Cultural Wellbeing of the community.		
ORC ORPS	Part B: Objective 5.3 Sufficient land is managed and protected for economic production	Issue: Providing for economic production can create adverse effects. Existing economic activities are susceptible to reverse sensitivity effects, particularly when adjoining land use changes.
	Part B: Policy 5.3.1 – Rural activities	Manage activities in rural areas, to support the region's economy and communities, by: e) Minimising the subdivision of productive rural land into smaller lots that may result in a loss of its productive capacity or productive efficiency.
	Part C: AER 5.3	The effects of land management do not preclude future economic uses of land.
ORC PRPS	SRMR-14 – Poorly managed urban and residential growth affects productive land, treasured natural assets, rural industry, infrastructure and community well-being	Economic: While potentially providing short term commercial returns, poorly managed urban growth and development may result in long term impacts including: • the loss of land for primary production activities (either directly through building on it, or indirectly through reverse sensitivity effects);....
	Objective: LF-LS-O12 – Use, development, and protection	The use, development, and protection of land and soil: (3) recognises the role of these resources in providing for the social, economic, and cultural well-being of Otago's people and communities.
	Objective UFD-O4 - Use and development in Otago's rural areas occurs in a way that:	(4A) does not compromise the long term viability of primary production and rural communities,
	Policy: UFD-P7 - Rural Areas: The management of use and development in rural areas:	(2) maintains rural areas as places where people live, work and recreate and where a range of activities and services are required to support these rural functions, and provide for social and economic wellbeing within rural communities and the wider region, (4) provides for primary production, rural industry, and supporting activities, and recognises: (a) the importance of these activities to the social and economic wellbeing of Otago's communities,
CODP	Principle Reasons for Adopting Objectives, Policies and Methods 4.6.6	The approach adopted in this plan recognises the community's need to utilise the District's soil resources to provide for social, economic and cultural wellbeing.

We can summarise the Soils planning issues into the following topics:

- Safeguarding and managing the potential loss of soils while recognising that the loss of these soils may occur with appropriate future development.
- Ensuring that any future development avoids, remedies or mitigates the loss of soils with special qualities.

We can summarise the Contribution to the Social, Economic and Cultural Wellbeing of the community planning issues into the following topics:

- Sufficient land is managed and protected for economic production.
- Recognising the role of the land in providing for the social, economic and cultural wellbeing of the District and the Region.

I note that the ORC PRPS definition of *highly productive land* is the same as the definition contained in the NPS-HPL clause 1.3, which is addressed above. For the same reasons as addressed above in relation to the NPS-HPL definition, the site will not be defined as highly productive land for the purposes of the ORC PRPS at the time the application is made and considered.

2.5 Assessment of the proposed use against the Planning framework.

2.5.1 Safeguarding and managing the potential loss of soils while recognising that the loss of these soils may occur with appropriate future development.

It is my opinion that the loss of the soils on the approximately 69.8 ha of the Site is insignificant when compared against the quantity of this soil type both by soil classification, being 207,830, and LUC classification, being 335,364 ha. I do not have the expertise to comment on the appropriateness of the proposed future development more generally, this is addressed through other technical assessments provided.

2.5.2 Ensuring that any future development avoids, remedies or mitigates the loss of soils with special qualities.

The soils that will be lost are not classified as having any special qualities with the semiarid soils being described⁷ as being *dry for most of the growing season, and rainfall is not sufficient to leach through the soil, so lime and salts accumulate in the lower subsoil. Nutrient levels are relatively high, but the soils must be irrigated to produce high yields. It is formed in alluvial sand silt or gravel deposited by running water, from hard sandstone parent material.*

The topsoil typically has loam texture and is stoneless. The subsoil has dominantly loam textures, with a very gravelly layer from less than 45 cm mineral soil depth to more than 100 cm. The plant rooting depth extends beyond 1m.

Generally, the soil is well drained with very low vulnerability of water logging in non-irrigated conditions, and has moderate soil water holding capacity. Inherently these soils have a very high structural vulnerability and a high N leaching potential, which should be accounted for when making land management decisions.”

⁷ <https://smap.landcareresearch.co.nz/maps-and-tools/factsheets>

None of the described characteristics would lead me to characterise the soils as having special characteristics in terms of their productive capacity.

2.5.3 Contribution to the Social, Economic and Cultural Wellbeing.

I am of the opinion that the productivity of the land is the key component in considering whether it makes a significant contribution to the social, economic and cultural wellbeing of the community. This is in terms of the output of product both in terms of volume and financial value, the amount of expenditure which occurs, the amount of employment it generates, its contribution to the social fabric and its cultural contribution.

I have stated in 2.1 above that this soil type is capable of productive horticultural activities because it has an irrigation consent. Without that consent it is only capable of extensive pastoral activities which could not be considered as making a contribution both in the Regional and the District perspective.

In this section I examine the contribution that would be made by the irrigated horticultural land uses of Cherries, other horticultural uses (summerfruit, pipfruit and grape growing) and pastoral land uses. These land uses have been selected for assessment because they are the most prominent land uses that are undertaken in this climate and on these soils, whereas others, eg large scale market gardening, are not prominent because both the climate and the soils are not conducive to the high level of productivity which is required.

Cherries

The Site has been in Cherry production since 2004 but has ceased production after the 2025/26 season. The decision to cease production has been brought about by the ongoing financial losses that have occurred over the last years which have been as a result of a combination of variable climatic conditions which have affected both the volume and the grade of production, a volatile but decreasing market return and inflation in input costs. New Zealand Cherry Corp, the operator of the cherry business from 2014 – 2026, has provided TAG with information regarding previous production and economic performance, which I assess below.

The yield, grade and market return variability is shown in Table 4.

Table 4: Total yield, Grade percentages, export and local market and average price received 2014 to 2026.

Year	Total Yield (kg/ha)	Export (%)	Local (%)	Waste (%)	Export Price (\$/kg)	Local Price (\$/kg)	Ave Price (\$/kg)
2014	5519	71%	25%	5%	25.34	19.67	22.78
2015	6758	66%	29%	5%	25.94	11.61	20.39
2016	9603	48%	43%	8%	34.44	10.72	21.28
2017	7385	60%	26%	14%	38.57	18.14	27.92
2018	11932	49%	34%	17%	23.98	7.49	14.34
2019	6072	35%	39%	26%	33.72	9.86	15.75
2020	4747	52%	28%	19%	28.55	11.14	18.10
2021	8064	32%	40%	28%	27.02	7.97	11.83
2022	7953	39%	33%	29%	25.92	8.25	12.70
2023	5506	48%	24%	28%	24.72	11.46	14.62
2024	6651	53%	26%	22%	28.98	14.82	19.00
2025	7320	51%	27%	22%	34.23	12.32	20.89
2026	7952	28%	21%	51%	-	-	-

The major points that we can take from Table 4 are:

- The incredible variability in yield experienced over the period with an average of 7,343 kg/ha with a maximum of 11,939 and a minimum of 4,747. This reflects the high degree of variability in climatic conditions with growing degree days, rainfall and hail all having significant influences on yield with the only consistent factor being the variability of these factors between and within seasons.
- This variability in climatic conditions also has a large impact on the grading achieved with an average export grade percentage of 49% (maximum of 71% and minimum of 28%), an average local grade percentage of 30% (maximum of 43% and minimum of 21%), and an average waste grade percentage of 21% (maximum of 51% and minimum of 5%).
- The variability in the average price received is an average of \$18.30 / kg with a maximum of \$27.92 and a minimum of \$11.83.

The financial performance of the site as a cherry orchard can be seen in

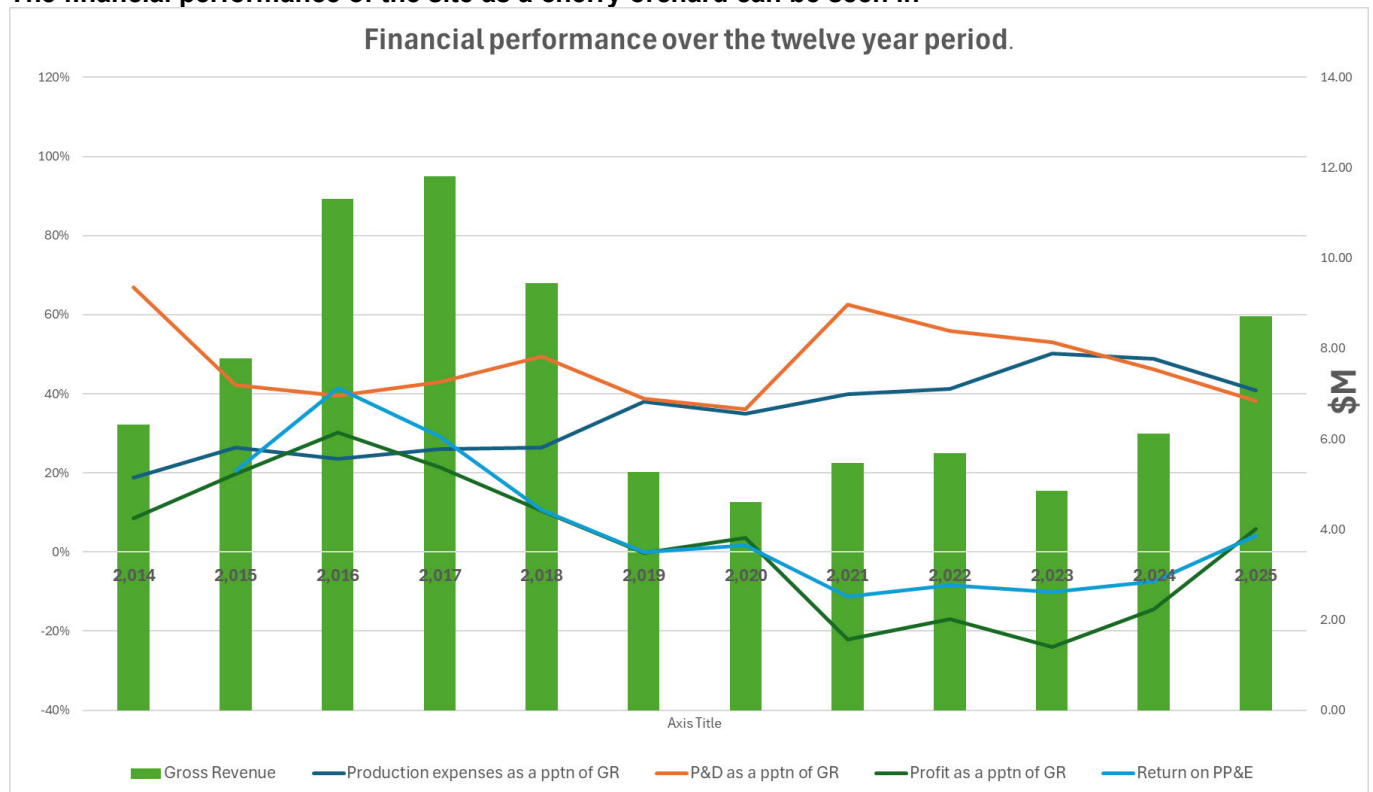


Figure 6.

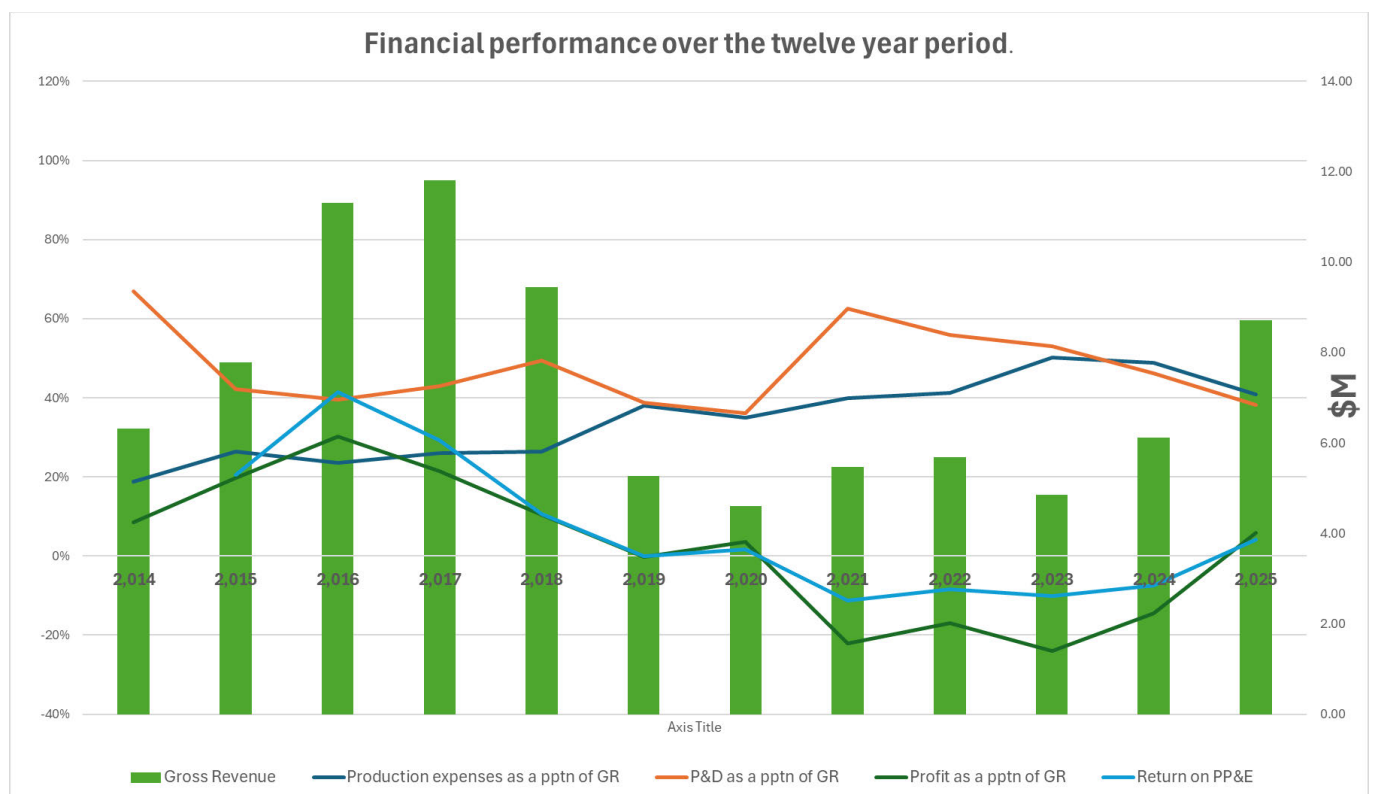


Figure 6: Financial performance of the cherry orchard over a 12 year period.

The key points to note from

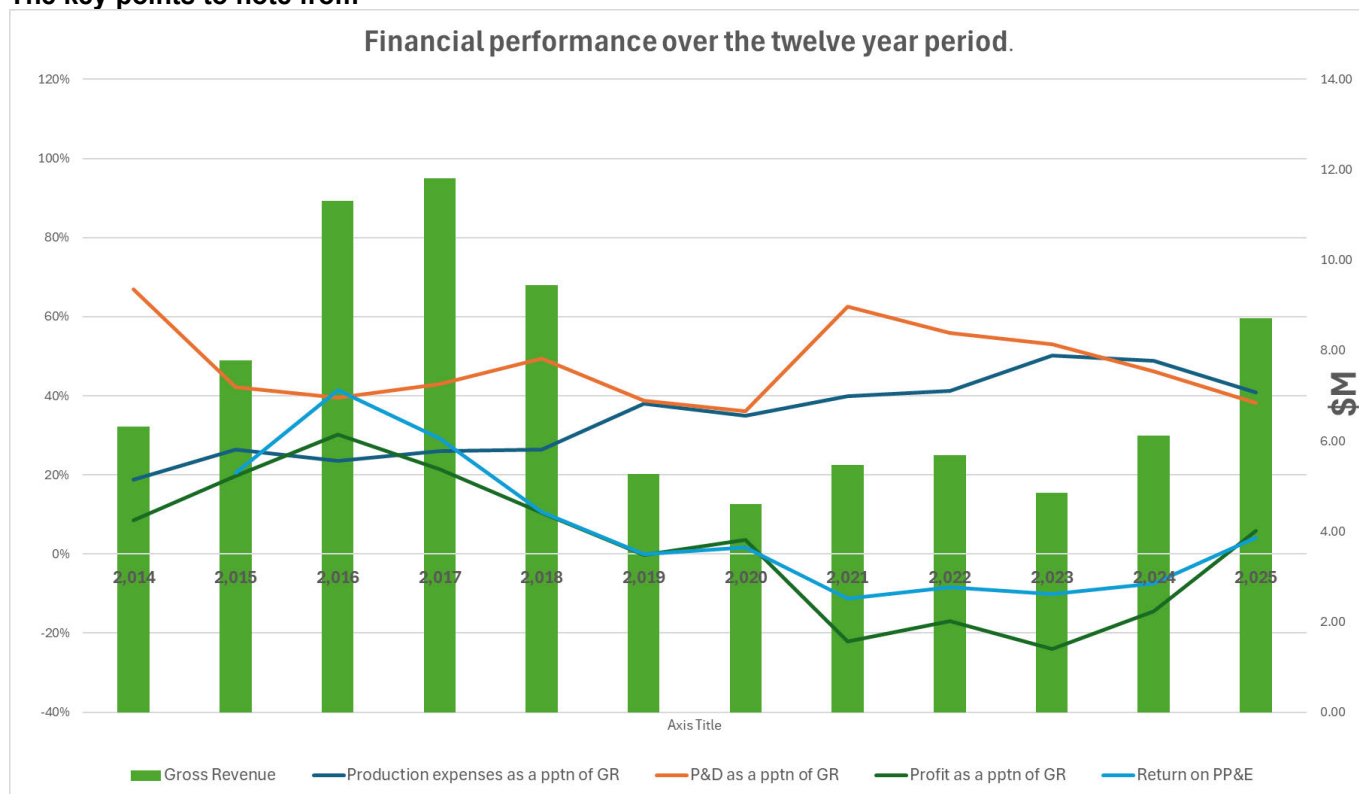


Figure 6 are:

- Gross revenue peaked at \$11m in 2017 and then has struggled to be above \$6m since 2019.
- While packaging and distribution costs do not exhibit a trend, they are still a similar proportion to Gross Revenue as when the orchard first started.
- Production expenses as a proportion of Gross Revenue have risen from the mid twenties at the start of the orchard to the mid forties at the end.
- Profit as a proportion of Gross Revenue has fallen from a spectacular thirty percent in 2016 and has steadily deteriorated to the point of 2019 where it has been zero or negative for the remaining period. I note that this analysis is pre debt servicing.
- Return on property plant and equipment has fallen from a high of 40% in 2016 to being negative since 2020.

What this data tells us is that for a period from 2015 to 2018 when the climatic conditions were highly favorable, the orchard was able to achieve very good yields and relatively high grading into the export grades while the export price for cherries was at an all time high. Since then, the previously stable climate has experienced more frequent periods of extreme variability of hot periods, cold periods and bouts of extreme rainfall and hail, all of which have had a significant negative impact on both the quantity and quality of production.

What the period from 2015 to 2018 encouraged was a rush into cherry production which has seen a virtual doubling of production in New Zealand during that short period. This massive increase in production has also put severe pressure on New Zealand's markets which rely on exporting a premium product, shipped by air, into the Asian market during a relatively short time period when no other international producers were able to supply that market.

Over the same time Chile, the only other Southern Hemisphere producer able to supply the Asian market at the same time as New Zealand, has undergone a massive expansion in cherry

production. This growth has increased Chile's export capacity from 39,000 tonnes in 2016 to an estimated 655,000 tonnes by 2026. All this produce is transported by sea to the Asian market ⁸.

I note that iQfruits⁹ has recently reported that with its massive expansion Chile's export prices have dropped from \$US6 / kg highs to around \$US1.5 to \$2.5/kg meaning that grower profitability has plummeted from \$US40,000 /ha to \$US8,000 / ha. They report that experts are calling for 30,000 ha of orchards in Chile, out of the current estimated 78,000 ha, to come out of production to try and balance supply with demand. They also report that *"The consensus among analysts is that a near-term recovery is off the table. The cherry sector faces a multi-year reckoning."*

This downturn is having a significant negative impact on the future viability of the New Zealand cherry export industry, and it is expected that it will continue for some years.

These two huge increases in volume of exports have resulted in negative price pressure in the markets to a point where it is now seen as not being economic for New Zealand producers to be able to achieve the relatively high export prices for their total crop.

Increasing climatic volatility has reduced certainty around both the quantity and quality of production. This combined with growing downward pressure on prices in domestic and international markets, and steadily rising production costs, has led the owners to conclude that they can no longer afford to continue producing cherries for sale.

This decision is also being faced by a number of other cherry orchardists in the area. Seven smaller orchards have ceased production, four larger corporate orchards have been placed into liquidation, five formerly family-owned orchards have been acquired by corporates, and a further nine are currently on the market.

Taken together, these changes point to a sector undergoing significant restructuring, driven by ongoing economic pressures, climatic uncertainty, and increasingly challenging market conditions.

Other Horticultural land uses.

The three other possible horticultural land uses of the Site are a mixed Summerfruit orchard, a Pipfruit orchard or a grape growing property. These three options would all require the removal of the current cherry orchard and the establishment of the new horticultural land use. This transition would involve significant horticultural investment, including site preparation, planting, and ongoing crop establishment costs.

The financial data which I have used was all gained in some work which I carried out for HortNZ¹⁰ and the Central Otago Winegrowers¹¹ in 2023 which was used by the Otago Regional Council to inform their planning for their new Land and Water Regional Plan. The data gathering involved interviewing a cross section of growers across each land use and then creation of representative models for each of the land uses from the data gained in the interviews.

⁸ The Business Research Company (2026): Cherries Market Global Report 2026.

⁹ https://www.linkedin.com/posts/iqfruits_chileancherries-fruittrade-freshproduce-activity-7445470173207347200-g6MN?utm_source=social_share_send&utm_medium=android_app&rcm=ACoAABA54rUBkcLwmZa-zaUSDoSt4XPQzkS1MKc&utm_campaign=share_via

¹⁰ The AgriBusiness Group (2023): Phase 2 modelling for Otago Regional Council Proposed Land and Water Regional Plan for HortNZ.

¹¹ The AgriBusiness Group (2023): Phase 2 modelling for Otago Regional Council Proposed Land and Water Regional Plan for Central Otago Winegrowers

A summary of the financial performance of each representative model and the expected return is shown in Table 5.

Table 5: Financial performance of other horticultural land uses (\$/ha).

	Summerfruit	Pipfruit	Vineyard
Gross Orchard Revenue	61,390	58,024	24,265
Orchard Working Expenses			
Labour	22,641	21,130	12,984
Post-harvest costs	13,186	25,580	
Operating costs	9,550	6,384	5,330
Administration and property expenses	3,139	1,430	1,514
Total Orchard Operating Expenses	48,516	54,523	19,828
Earnings Before Interest and Tax	12,875	3,501	4,436
Development Cost	120,000	150,000	75,000
Return On Capital	11%	2%	6%

The information presented in Table 5 is representative of each model using average production and market returns. Given the requirement for significant up-front investment, the high degree of variability in climatic conditions experienced in Central Otago and the variability in product returns experienced for each of the horticultural land use options, I am of the opinion that none of the alternative horticultural land uses is able to offer sufficient return on capital to encourage a prudent investor to invest the required capital to develop those land uses.

Based on the above assessment, I consider that horticulture cannot be considered as the highest and best land use for the Site.

Pastoral land uses.

Given that the Site currently has irrigation capability it is considered that irrigated dairy support represents the highest and best primary production land use in terms of productive capacity, reliability of output, and efficient utilisation of the Sites resources. Using the AgriBusiness Groups financial model for irrigated Dairy Support the financial performance of the Site, assuming that the whole 69.8 ha is available for this land use, would be as is shown in Table 6.

Table 6: Financial performance of the site as irrigated dairy support.

\$ / ha Whole site.

Gross Revenue	4,189	292,392
Cash Farm Expenditure	2,237	156,143
Earnings Before Interest and Tax	1,952	136,250

Traditionally I have used the financial performance of a land use to give an idea of the social and cultural contribution to the wellbeing of the community. However, the primary production land use of dairy support does not offer much in the way of direct employment or jobs in comparison of other horticultural land uses which are both important contributors to the social fabric of a community. It also does not offer a lot in terms of the flow on impact of its expenditure in the local community in terms of secondary industry employment. It therefore follows that this land use does not offer much in terms of a cultural contribution.

The total loss to the economy from farming would be Gross Revenue of approximately \$300,000 with very little additional loss of social or cultural benefits particularly when considered against the benefits from the proposed development.

2.6 Conclusion

2.6.1 Sufficient land is managed and protected for economic production.

The loss of approximately 69.8 ha of land from a pool of approximately 815,000 ha of LUC 1 to 4 land in the region is insignificant.

2.6.2 Recognising the role of the land in providing for the social, economic and cultural wellbeing of the District and the Region.

In my opinion, the loss of the Site will have no material impact on the social, economic, or cultural wellbeing of the community. This is on the basis that the highest and best use of the Site is for dairy support activities, which are typically associated with relatively low labour intensity and limited community interface. If utilised for this purpose, the Site would generate only a modest economic return, with an estimated net gross profit of approximately \$300,000, and would not give rise to any discernible social or cultural effects at the community level.