



Justine's column



Happy New Year everyone. I'm excited to be back on board and to get back up to speed with all the programmes and progress made. While I have a new role that encompasses more than PGP, I still remain inspired by and focused on what PGP is all about – pushing the boundaries to

deliver smart ideas, smart actions and smart results. And I see many opportunities to look at the potential wider benefits and synergies between PGP and our other investment programmes, such as the Sustainable Farming Fund and the Irrigation Acceleration Fund.

I'd like to acknowledge and thank Michael Jamieson for all of his work leading the PGP team here at MPI while I've been on maternity leave, and for his very valuable contribution to the PGP over his whole time at MPI.

New PGP programme targets strong wool

It's been a busy start to 2016. We're excited to welcome our newest PGP programme, Wool Unleashed, or W³ – a seven-year, \$22.1 million partnership between the Ministry for Primary Industries and The New Zealand Merino Company (NZM).

The programme aims to deliver higher premiums for New Zealand's strong wool sector, which has been in serious decline since the 1990s. It'll do this by securing a premium for New Zealand wool, increasing on-shore processing, and lifting the returns of the wool sector overall. W³ has the potential to contribute an additional \$335 million towards New Zealand's economy by 2025.

W³ will utilise NZM's experience with fine and mid-micron wool in establishing contracts with premium brand partners and developing new uses and markets. NZM has already had considerable success in these areas through the New Zealand Sheep Industry Transformation Project (NZSTX), its first PGP programme, which is due to wrap-up in 2017.

NZSTX focussed on using product differentiation to generate better grower returns for fine wool fibre, meat and other products such as leather, and production science projects in genetics, animal health and forage production. W³ will be looking to replicate NZM's success in NZSTX to date by turning their attention to the strong wool industry and driving increases in profitability across the value chain.

We'll profile the programme in an upcoming Agri-gate. In the meantime, you can find further information about the programme on our [website](#).

Precision Seafood Harvesting

I'd like to congratulate the Precision Seafood Harvesting (PSH) programme on the recent launch of 'Tiaki'. Tiaki marks a significant stage in the PSH programme, and for the future of our fishing industry. It's both a brand and a quality mark for fish caught using Precision Seafood Harvesting gear. New Zealand's future is in value-added products, and Tiaki is important in helping New Zealand to differentiate our high value, sustainably caught fish from the rest of the world's. You can find more information about Tiaki [here](#).



Minister for Primary Industries Hon Nathan Guy and Gone Fishin host Graeme Sinclair with some of the team involved in Precision Seafood Harvesting and Tiaki Harvesting

Continued over page ...

International Market Development Workshop

Earlier this month, we held a PGP workshop on International Market Development. It covered various aspects of international market development such as market development models, Trade Agreements, market access aspects and in-market dynamics.

Thanks to those who attended including staff from MPI, New Zealand Trade and Enterprise, the Ministry of Foreign Affairs and Trade, Customs and AssureQuality for leading sessions at the workshop.

PGP programmes comprise a diverse range of activities covering the entire value chain. The aims of our PGP workshops are to generate discussion on themes relevant for PGP programmes, enable broader connectivity and share knowledge.

Previous PGP workshops have covered themes ranging from Maori agribusiness focusing on land use to social licence to operate, focusing on business/product reputation. We'll be holding further workshops in 2016.

Kees de Kruif



I'd like to acknowledge prominent and respected scientist Kees de Kruif who passed away recently. Kees was a valued member of the Food Structure Design Programme, part of the Transforming the Dairy Value Chain programme. He played a leading role in advancing New Zealand's dairy and food technology and growing our international reputation in food material

science, having written more than 250 papers on his studies and being cited in around 10 000 publications.

PMA 'Emerging Leaders Program' recipient

Finally, I'd like to congratulate Midge Munro, Communications Manager at New Zealand Avocado, who has been awarded an AUD \$8,000 bursary to attend the Produce Marketing Association's 'Emerging Leaders Program', which will be held in Arizona, USA.

The 'Emerging Leaders Program', developed by PMA, prepares high potential leaders from all segments of the global produce and floral supply chain to embrace increasing levels of responsibility and handle both challenges and opportunities inherent in future leadership roles within the industry.

Justine Gilliland
Director Investment Programmes

From the Chair



Welcome back to Agri-gate for 2016. I know a significant part of the year has already passed and it's shaping up to be a full one for PGP.

A lot of our programmes have reached the second half of their term and it's timely to consider how they'll retain their sustainability beyond the formal

programmes themselves, so that the projected benefits can be captured. Clearly linked to this is consideration of the commercialisation phase of each of these programmes. The success, or otherwise, of most programmes will depend on the ability of the programme to convert the groundwork into real sales. This will be one of the key focusses of the Investment Advisory Panel (IAP) as we undertake our monitoring role.

I'd like to welcome the Wool Unleashed, W³, programme also. To me, this programme epitomises the PGP. Simply put, it's focussed on value-chain improvements that will generate high value-add products and other benefits. This will in-turn increase the profitability and the sustainability of our wool industry. W³ is an exciting programme that will create a strong foundation and path for future growth across the wool sector.

The IAP looks forward to working further with our current programmes during 2016, and also considering new innovative proposals looking to help New Zealand's primary industries contribute even more strongly to our economy.

Joanna Perry
Chair, Investment Advisory Panel

Manuka Farming New Zealand is all go



It's all go for Manuka Farming New Zealand, the commercial arm of Mānuka Research Partnership Ltd (MRPL) that is leading the seven and a half year, \$2.45 million High Performance Mānuka Plantations PGP programme.

Late last year MRPL decided on the name Manuka Farming New Zealand and then set about creating a brand identity and logo along with developing a website (www.manukafarmingnz.co.nz), which was launched in February 2016.

"This has really brought the programme to life in a public sense as we move forward and communicate the benefits to landowners of planting high performance mānuka," says MRPL chairman Neil Walker.

The programme has set about lifting the value of New Zealand's mānuka honey industry from an estimated \$242 million last year towards a target of \$1.2 billion per annum by 2028. The key to this is lifting the yield and reliability of supply of medical grade mānuka honey, which is commonly used in wound dressings due to its anti-bacterial properties and its ability to resist degradation.

MRPL, which was formed in 2011, has a strong shareholding representing primary sector and apiary interests with Arborex Industries Limited, Comvita NZ Limited, DC and CY Tweeddale Partnership, Hawke's Bay Regional Council, Landcorp Farming Limited, Nukuhau Carbon Limited and Te Tumu Paeroa.

Commercial Manager Appointed



Mānuka Farming New Zealand has recently appointed Allan McPherson as its Commercial Manager and his main responsibility is to promote the economic on-farm and wider environmental benefits of producing high performance mānuka.

Allan is excited by the opportunity to provide landowners with a full solution to help them successfully meet their aspirations with planting mānuka.

"My work includes providing genetically superior mānuka cultivars that have been field tested and matched to site; access to services for land environment planning, site appraisal, planting & husbandry; and introducing landowners to apiarist partners," says Allan.

Allan comes to Mānuka Farming New Zealand after a long career in the dairy industry, where he was widely recognised for his management of the bull breeding and progeny test programmes of a leading New Zealand artificial breeding company.

Allan's focus was on strategic development, change management and the successful delivery of business and financial objectives. He particularly enjoyed transferring new technologies to practical applications and building functional working relationships with a diverse range of people—all things he is also looking forward to with Mānuka Farming New Zealand.

Seedlings now available

Under the High Performance Mānuka Plantations PGP programme, Mānuka Farming New Zealand is supplying seedlings for planting in 2016.

"We're already fully committed for the 2016 season, and we're now seeking interest from landowners who want seedlings for 2017 planting," says Alan.

If landowners are interested in establishing mānuka plantations, they're also able to apply for funding through the Ministry for Primary Industries' Afforestation Grant Scheme (AGS), which aims to help address matters such as erosion. Applications open in April 2016 for planting in winter 2017.

Trial Sites performing well

The High Performance Mānuka Plantations programme has established more than 400 hectares of mānuka across 14 trial sites throughout the country.



"These trial sites are performing well with some now in production mode and producing high quality nectar over the warm months of

periods for the mānuka plantations.

“We’ve updated technical notes, covering core technical aspects involved in preparing, planting and managing high-performance mānuka plantations,” says Alan.

“We’ve provided these notes to Mānuka Farming New Zealand’s preferred service providers (AgFirst & PF Olsen) to use when consulting with landowners wishing to establish high performance plantation mānuka. We’ve also completed our first iteration of our mānuka predictive modelling tool. The predictive model will be the mānuka plantation consultants’ prime tool in predicting the likely dollar performance of a proposed plantation – it will enable them to do the “what-ifs” necessary to optimise a site.

“We’ve recently planted four additional trial sites a large-scale mānuka plantation trial in the Gisborne region, two further

experimental trials at Massey University and established under-pivot planting in Waimakariri.

Spreading the mānuka message

“An important part of the High Performance Mānuka Plantations programme is about getting the word out about the benefits of planting high performance mānuka and the assistance we can offer,” Alan says.

“Over the last six months we’ve attended and presented at a range of events including a mānuka seminar hosted by the Hawke’s Bay Regional Council and Woodnet in Napier.”

“We covered a wide range of topics from establishing plantations, through to beekeeping and managing demand for hives, to the stages of marketing of honey for food and medicinal value.

Attendees included foresters, beekeepers, landowners, iwi, scientists, nurseries and tree breeders as well as regional councils.

“People came from as far as the West Coast, Northland and Australia,” says Alan.

A similar seminar was held in Taranaki in mid-February, and the programme will have a display and information site at the Central District Fieldays in Fielding between 16 and 19 March and the and the National Fieldays in mid-June.

“We’re hoping to convert the already high level of interest in planting high performance mānuka into reality – interest to date has been very encouraging,” says Alan.



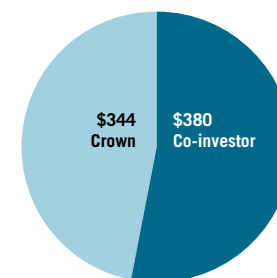
Overview of Primary Growth Partnership Investment

Sector	Programme Name and Co-investor	Total Crown and co-investor investment \$ million	Sector total \$ million	Estimated benefits \$ million (per annum)
Wool	NZ Sheep Industry Transformation (NZSTX) NZ Merino	34		885
	Wool Unleashed (W ³)	22	\$56	
Dairy	Transforming the Dairy Value Chain Dairy NZ/Fonterra	170		2700
	New Dairy Products and Value Chains Whai Hua Limited Partnership	4	\$174	9
Fishing & Aquaculture	Shellfish – The Next Generation Shellfish Production and Technology NZ (SPATnz)	26		81
	Precision Seafood Harvesting Precision Seafood Harvesting (PSH)	48	\$74	44
Meat	FoodPlus – Redefining Meat Horizons ANZCO	58		200
	Marbled Grass-fed Beef Grass-fed Wagyu Ltd	23		80
	Red Meat Profit Partnership Red Meat Profit Partnership (RMPP)	64		194
	Integrated Value Chain for Red Meat FarmIQ	151		1100
	Omega Lamb (formerly Targeting New Wealth with High Health)	25		TBA
Pastoral	NZ Deer Industry Passion2Profit	15	\$338	TBA
	A New Vision for Pastoral Agriculture PGG Wrightson Seeds	15		200
	ClearView Innovations Ballance AgriNutrients	20		348
	Precision Application of Fertiliser in Hill Country Ravensdown Fertiliser Co-op Ltd	10	\$44	120
	High Performance Manuka Plantations Manuka Research Partnership (NZ) Ltd (MRPL)	3	\$3	1200
Bee Keeping	Innovative Steep-land Tree Harvesting Future Forests Research (FFR)	7		100
Forestry	Use of Fumigants for Log and Wood Product Exports Stakeholders in Methyl Bromide Reduction (STIMBR)	2.6 (actual cost)		TBA
	From Stump to Pump Phase 1 (feasibility study) Norske Skog Tasman Ltd (NSTL)/Z Energy	3.6 (actual cost)	\$13	TBA
Viticulture	Lifestyle Wines New Zealand Winegrowers	17	\$17	285
Horticulture	NZ Avocados Go Global Avocado Industry Council	9	\$9	210
Total			\$727	

Please note that the figures in this table have been rounded. Therefore the total Crown and co-investor investment for each sector may differ to the sum of the individual programmes.

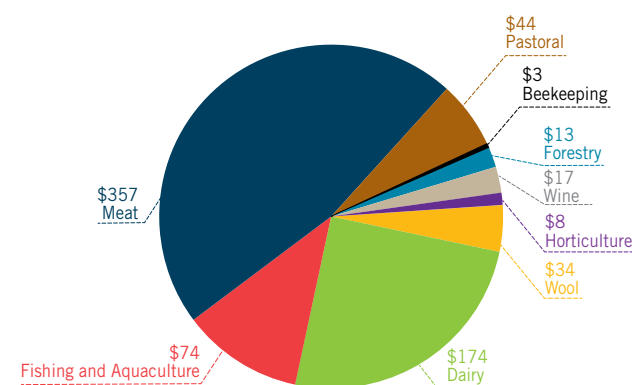
As at 31 January 2016, there were 19 programmes underway and two completed.

Crown/co-investor committed investment (in millions)



Crown/co-investor committed investment by sector (in millions)

Total \$727 million



Total government funding paid to programmes as at 31 January 2016 was \$174.3 million.