



## SHAPING NEW ZEALAND'S FOOD AND FIBRE FUTURE

A summary of industry workshops,  
September & October 2016

### Aims of the workshops

- To take a look 10-20 years into the future
- How can our primary industries prepare for future the opportunities and challenges?
- Test our assumptions
- Consider drivers behind emerging trends
- Discuss risks and implications
- Increase our combined capabilities to use future insight tools and methodologies
- To start an on-going discussion
- To inform other MPI workstreams

## Testing Our Assumptions

We asked... “What is something you believe will always be true of the primary industries?”

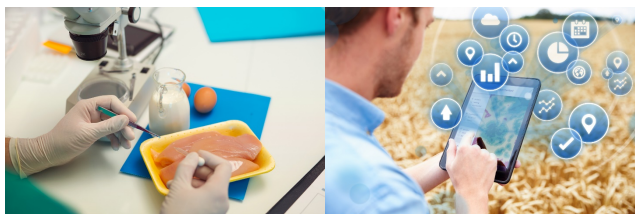
- We will always use soil and water
- We will always export most of our products
- The primary sector will always produce food
- We will always have a pasture-based agricultural economy
- The world will always want more animal protein
- Weather will always influence farming

... And then we discussed the counterfactual...

## Imagine future scenarios when...

- We will not always use soil and water
- We will not always export most of our products
- The primary sector will not always produce food
- We will not always have a pasture-based agricultural economy
- The world will not always want more animal protein
- Weather will not always influence farming.

**What needs to happen for these alternative scenarios to become our reality?**



## Future Foresight Techniques

Factors that limit our understanding of the future:

- Lack of information, incorrect theories, unexamined assumptions.

There are three elements of leadership:

- Hindsight – the ability to reflect and learn from past experience
- Insight – the ability to interpret and respond to the demands of the present
- Foresight – the ability to **assess** and **prepare** future possibilities.

As humans we have a bias towards things that are tactile, measurable, simple and have a gradual linear progression.  
The future is non of these things!

Future scenario building is a tool to help frame discussions.

## Scenario Outcomes

Our workshops created 12 different scenarios.

A scenario describes a possible future state and tells a story about how such a state might come about.

It describes the future in a vivid and engaging manner.



## Two Scenario Examples

### Future state #1

- **Regional localism is predominant** (a world of global protectionism).
- Buy local is a strong consumer driver due to geo-politics.
- **Food security and quality is a global issue**, but NZ raw ingredients still trusted.
- **High trade barriers** exist but NZ still trades with select markets who want our goods.
- **Smaller markets**, but we are feeding the elite.

### Some implications

- Govt required to constantly negotiate market access.
- **Relationships with our markets are crucial** (Govt. to Govt. and B2C). Market insight is crucial.
- NZ needs to leverage its natural advantage. The NZ Story needs to be **evidence based**. **Traceability is vital**. New technologies emerge in this area.
- **Increasing NZ investment in processing and brands in overseas markets required**, so our products “look local”.

## Two Scenario Examples

### Future state #1 (continued)

- **Mass consolidation and market segmentation** – multi-national companies versus small artisan local producers. Also market aggregation.
- **We use GE** and smarter production technologies to address **higher environmental constraints**.
- Consumers have less choice.
- Smart technologies get more value from our natural inputs. Natural products are wedded to the well-being story, including plant-based protein substitutes.
- **There are greater risks** (biosecurity, volatile climate, geo-politics)

### Some implications

- Supply and distribution chains must become super efficient to survive.
- **Our economy is no longer export based**. Farmers forced to diversify to meet domestic demand, or find alternative land-uses (export water, carbon sinks, recreational and tourism uses). **Regional inequalities grow**.
- **Grey markets emerge**.
- **Assurance and verification** essential to some consumers only.
- **Resilience** is a key driver for business strategy.

## Some Scenario Examples

### Future state #2

- A **borderless world** with free movement of capital, goods and skilled labour within large defined trade blocs.
- We have Internet enabled efficient supply chains
- Increased specialisation of nations is required do to free trade, tied to their natural capital.
- An **extreme high innovation world**, production systems are greatly evolved.
- **Multiple, differentiated markets**, sold around high-tech, natural, or health and well-being attributes.

### Some implications

- We have a big market but have to make **tough choices** about where we can compete.
- **Every person is a market**. We can individually customise goods. Regulatory systems need to be agile to copy with new supply and distribution chains.
- **Change and uptake of new technology is fast**. Business and Govt. needs to be agile.
- R&D investment needs to be part of BAU.
- Customers have more explicit choices to inform their purchases. "Good for me." "Convenient." "Good for the environment." "A great food eating experience."

## Some Scenario Examples

### Future state #2 (continued)

- **Alternative, efficient protein sources dominate**. Synthetic and new products exist.
- Many food products are just a means of getting sustenance (e.g. **lunch is a pill**). Food products that are marketed around taste, naturalness, and provenance are high end niche.
- World commodities are **produced in-market**, using new technology, in labs or indoor farming systems.
- There is increased **"food nostalgia"** – people miss the heritage and authenticity of naturally-grown "old fashioned" farm food.

### Some implications

- **Science, tech, and engineering is routinely applied** to natural inputs.
- New **IP** routinely generated.
- Multiple needs for **new skills**.
- There are **fewer animals** in our production systems.
- We **can't compete in commodity markets**.
- **We leverage the quality of our natural inputs** (our soils are still fertile, water plentiful, real sunlight, even some grass...)
- Increased tourism and immigration pressures. NZ seen as a location where you can still experience yester-year.

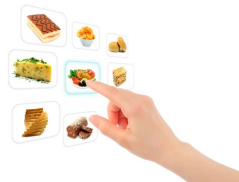


## Actions – what can we do today?

1. Research and analysis of our health, nutrition and wellbeing capabilities, and taste and experience.
2. Look at food companies supplying nutritional ingredients to hospitals, pet food shelter, other sectors where nutritional analysis / functional food is already happening.
3. Need to find and tell our compelling stories internationally to build New Zealand's profile
  - Need science based, data driven stories
  - Learn from good examples
4. More collaborative customer insight.
5. Identify who is likely to play in the innovation space, especially high disruption innovation (to make risk taking more viable we need to find better ways of sharing value "down" the value chain.
6. Build skills and capacity across a range of areas to make us more agile.
7. Better assess and share knowledge of why market failure happens.
8. What Govt support (enabling and funding) is required to influence whether NZ will be a future innovation leader versus a fast follower.
9. Monitor change – identify disruptive drivers. Help industry evaluate risks and opportunities.
10. Continue the use of scenario thinking and other foresight techniques to build capability, drive a collective discussion, encourage effective partnerships that are action-focused.

## Outcomes for participants

- ✓ Exposure to new ideas and different viewpoints
- ✓ Consider primary sector cross-cutting issues
- ✓ Better understand the issues of other primary industry sectors
- ✓ Increase knowledge of emerging trends
- ✓ Understand what or who will disrupt us!
- ✓ Spark collaborative discussion and action
- ✓ Have a frank discussion about the government and industry interface (regulation, policy setting, R&D \$, strategic direction)
- ✓ Have our assumptions tested
- ✓ Be challenged
- ✓ Think about how all this fits with our own brand approach
- ✓ Network – develop relationships with those who are going to "share this crazy journey"
- ✓ What opportunities might future discomfort create for us?



## Our thanks to...



Our facilitators, Phil Tate and Murray Wu.

And all of our workshop participants.

We look forward to working with you so we are more resilient to face our shared future.

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