

Agri-Gate

Ministry for Primary Industries
Manatū Ahu Matua



Latest news about MPI's Investment Programmes

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Steve's column

Welcome to our December Agri-gate. We're at the tail-end of a very busy year across all of our Ministry for Primary Industries (MPI) investment programmes.

This year saw the development and launch of Sustainable Food & Fibre Futures (SFF Futures). A significant amount of work has gone into its development. SFF Futures has replaced the Primary Growth Partnership and the Sustainable Farming Fund, to become MPI's new flagship investment programme.

Interest is steadily building and we continue to receive enquiries and expressions of interest from people interested in partnering with the Ministry for Primary Industries on programmes or projects that aim to boost the value of New Zealand's food and fibre industries and deliver other important benefits for New Zealand.

SFF Futures gives MPI the ability to invest in programmes or projects of different sizes. Projects or programmes could be about developing new products or services, or ideas for creating new jobs, increasing skills and capability, or encouraging better collaboration and information sharing. They could also include projects to rollout on-farm solutions to address common issues, apply latest scientific breakthroughs and introduce new technology on-farm. They can range from small, one-off initiatives requiring a small grant, to long-running, multi-million-dollar partnerships.

Further information is available at mpi.govt.nz/funding.

We'd encourage anyone with an idea to get in touch (funding@mpi.govt.nz), particularly if you're unsure whether or not your proposed programme or project will be eligible for investment. Our team will be happy to help.

Another one of the highlights over the last couple of months was launching the new four-year, \$5 million Mid-rise Wood Construction programme between MPI and Red Stag Investments Ltd. This programme will drive construction using prefabrication and New Zealand engineered and panelised framing timber. Using this renewable resource more in construction will deliver important wider environmental benefits and help as New Zealand moves to a low carbon economy. It was launched in Wellington on 5 November with Minister of Agriculture, Hon Damien O'Connor, and Minister of Forestry and Minister for Regional Economic Development, Hon Shane Jones, and others.

Mid-rise Wood Construction joins the new Caprine Innovations New Zealand and Hāpi – Brewing Success programmes launched earlier this year.

You'll find more information about the new Mid-rise Timber Construction programme in this edition of Agri-gate, along with:

- Investment Advisory Panel Chair John Parker's column reflecting on events over the last year;
- launching the new One Billion Trees Fund;
- the outcomes from a review of the Sustainable Land Management and Climate Change (SLMACC) research programme;



From left: Minister of Forestry and Minister for Regional Economic Development, Hon Shane Jones, Red Stag Group Chief Executive Officer, Marty Verry, and Minister of Agriculture, Hon Damien O'Connor, at the launch of the Mid-rise Wood Construction Primary Growth Partnership programme.

- an update on a couple of projects funded through the Earthquake Recovery Fund.

Finally, I'd like to wish you and your families a wonderful and safe Christmas and New Year. Thanks to all of our programme/project partners and others for a successful year across our investment programmes.

I hope you enjoy this edition of Agri-gate.

Steve Penno
Director Investment Programmes



John Parker's column

Welcome to this edition of Agri-gate. I would like to take the opportunity to reflect on what has been a very busy and interesting year.

This year, after a semi-brief hiatus from early to mid-year due to the independent review of the Primary Growth Partnership (PGP), we launched three new PGP programmes. These programmes ventured into new territories for the PGP – the lucrative goats milk industry (Caprine Innovations New Zealand); the popular craft

beer and hops segment (Hāpi – Brewing Success); and the prefabricated and New Zealand engineered and panelised framing timber industry (Mid-rise Wood Construction).

The innovation from these three new programmes met the criteria for PGP investment, and benefits will be felt wider than just the partners. For example, they aim to grow important industries, create new jobs in our regions, and deliver environmental, social and other benefits. The Investment Advisory Panel and I look forward to seeing the progress of these three programmes.

These programmes were three of nine business cases for new PGP programmes in the pipeline prior to the announcement and launch of Sustainable Food & Fibre Futures (SFF Futures), which has replaced the PGP and another of the Ministry for Primary Industries' (MPI's) investment programmes, the Sustainable Farming Fund. The Investment Advisory Panel's role has been expanded to include a wider focus beyond the PGP, and we'll be involved in helping to guide, monitor and make recommendations to MPI on new SFF Futures programmes.

As I mentioned earlier, an independent review of the PGP was carried out this year. Amongst its findings, it found that the PGP has a unique combination of eligibility criteria, rules and operating philosophy ideally suited towards transformation or longer-term step changes; it supports the right conditions for future innovation investment, such as collaboration, capability building and culture change; it locks in public benefits such as intellectual property; and it affords greater accountability for public investment.

I have been a staunch advocate of the PGP, and for good reason. I firmly believe in the benefits it is delivering across the value chain and the value it's delivering for New Zealand. And if there's any doubt, I would direct you, in the first instance, to the 2017/18 PGP Annual Report on the MPI website for examples of PGP programme achievements.

The Investment Advisory Panel and I are pleased that SFF Futures will retain important aspects of the PGP, as it is a model that works.

With that said, all that is left is to wish you all a safe, enjoyable and relaxing Christmas and New Year.

John Parker
Chair, Investment Advisory Panel

Ministers launch new One Billion Trees Fund

On 30 November, Minister of Forestry and Minister for Regional Economic Development, Hon Shane Jones, and Minister of Agriculture, Hon Damien O'Connor launched the new One Billion Trees Fund.

The fund will provide \$240 million over the next three years and includes a grant scheme for those wanting to plant trees, as well as a partnership fund enabling organisations to partner with Te Uru Rākau (Forestry New Zealand) to increase tree planting initiatives.



The new grants scheme provides simple and accessible direct grants towards the cost of planting and establishing trees and indigenous regeneration, with a target of two-thirds of trees being natives. The new partnership fund will see a closer working relationship with a range of partners from regional councils to NGOs to researchers, training organisations, Māori landowners and community groups.

The focus is on increasing the incentives and lowering the barriers to planting across the country.

See teururakau.govt.nz for more information.

From left, Minister of Forestry and Minister for Regional Economic Development, Hon Shane Jones, Ministry for Primary Industries (MPI) Deputy Director-General/Head of Te Uru Rākau, Julie Collins, and MPI Director-General, Ray Smith.

New programme to boost mid-rise timber construction

A new programme launched on 5 November aims to boost mid-rise building construction using prefabrication and New Zealand engineered and panelised framing timber, to deliver a range of regional, social, environmental and other benefits.



Red Stag will design, fund and build two mid-rise wooden buildings to showcase engineered timber construction. The first will be the Clearwater Quays five level apartment development at Clearwater Resort Christchurch, to be constructed in 2019.

double demand for engineered and panelised wood products in New Zealand buildings, and develop domestic manufacturing capacity.”

The programme will assemble a Collective of Excellence – a pool of New Zealand professionals experienced in mid-rise wood building design and construction – to help share and grow knowledge and expertise within the broader industry. Red Stag will design and build two mid-rise wooden buildings to showcase engineered timber construction, to act as reference sites and inform case studies. The first will be the Clearwater Quays (quays.co.nz) five level apartment development at Clearwater Resort Christchurch, to be constructed in 2019.

Construction costs associated with the programme will be covered by Red Stag. MPI investment provided through the PGP will contribute to other aspects of the programme, such as design, collating and sharing information, and establishing the CoE.

It was launched in Wellington with Minister of Agriculture, Hon Damien O’Connor, and Minister of Forestry and Minister for Regional Economic Development, Hon Shane Jones, and others.

Red Stag Investments Ltd, a company with its roots in forestry, wood processing and property development, has partnered with the Ministry for Primary Industries (MPI) to deliver Mid-rise Wood Construction, a four-year, \$5 million Primary Growth Partnership (PGP) programme.

“Combining Cross Laminated Timber (CLT), glulam and panelised framing timber is a cost-effective, fast, resilient and sustainable system for mid-rise construction,” says Red Stag Group Chief Executive Officer Marty Verry.

“Our PGP programme aims to encourage widespread adoption of precision-engineered timber in mid-rise building construction in New Zealand.”

“Aside from its natural beauty, engineered timber provides a very strong, low carbon and comparably low cost alternative to steel and concrete. It’s easier to transport, relatively light and has outstanding earthquake and fire resilience. The use of prefabrication can speed up construction by as much as 30 percent and reduce cost to help meet New Zealand’s acute need for more accommodation.

“Globally, there has been rapid growth in the use of engineered timbers such as cross laminated timber (CLT) and glulam for construction. However, New Zealand is behind other countries such as Australia, Austria, Canada, England and the USA in adopting engineered and panelised timber for construction.

“This is due to factors such as limited production capacity and limited knowledge of engineered wood use and prefabrication in mid-rise building construction.

“Through our PGP programme, we want to create this wider understanding to

Steve Penno, Director Investment Programmes at MPI, says benefits from the Mid-rise Wood Construction PGP programme will be felt beyond the co-investors.

“Engineered timber provides the opportunity for New Zealand to add significant value to New Zealand grown timber,” says Mr Penno. “It’s also a natural and sustainable resource.

“The Mid-rise Wood Construction PGP programme aims to substantially increase demand for engineered wood products in buildings, which will have associated flow-on benefits across the entire supply chain.

“This will create new regional jobs and renewed investment in forestry, processing, manufacturing, construction and prefabrication. Achieving the programme’s goals will significantly advance New Zealand’s engineered timber industry.”

Additional information

Red Stag Investments Ltd is contributing \$3 million (60 percent) and the Ministry for Primary Industries (MPI) is contributing \$2 million (40 percent) over the four-year term of the Mid-rise Wood Construction Primary Growth Partnership (PGP) programme.

If successful, the programme expects to deliver economic benefits of \$155 million by 2023 and \$330 million by 2036, driven by a 10 percent lift by 2023 in the wood construction industry’s market share across the multi-unit residential and non-residential market.

The programme aims to boost collaboration across New Zealand’s engineered timber construction industry, by sharing the insights, lessons and information it develops.

The programme has three interrelated projects:

- **Project 1:** Building two mid-rise wooden buildings, paid for by Red Stag, to act as showcases and reference sites and inform case studies.
- **Project 2:** Documenting and collating the designs, details, reports, lessons, costs and feasibility information from the two showcase buildings.
- **Project 3:** Promoting information developed by the programme through electronic media, workshops and site visits to New Zealand architects, engineers, quantity surveyors, constructors, real estate agents, manufacturers, urban councils, developers and investors. Project 3 also includes developing the Collective of Excellence (CoE).

A mid-rise building is 4 to 12 storeys.

The Mid-rise Wood Construction PGP programme was one of nine business cases for new PGP programmes in the pipeline prior to the announcement of the Sustainable Food & Fibre Futures programme.

Review finds New Zealand a world leader in land management and climate change research

In early November, the Ministry for Primary Industries (MPI) released the findings of an independent review of its Sustainable Land Management and Climate Change (SLMACC) research programme.

The review found that SLMACC has positioned New Zealand as a world-leader in research into mitigating greenhouse gases from agriculture and adapting to climate change.

The SLMACC research programme supports the generation of new climate change knowledge across New Zealand’s agriculture and forestry sectors.

The independent review found SLMACC has triggered new research, and boosted New Zealand’s understanding of the potential impacts and implications of climate change for a range of primary industries, particularly pastoral farming systems and responding to drought.

“Climate change affects every one of New Zealand’s land-based producers, from farmers, growers and foresters, to the communities that support them,” says Steve Penno, Director Investment Programmes at MPI.

“New Zealand relies heavily on its natural environment and the primary production it supports. A warming planet poses challenges and unknowns, so it’s vital to invest in research to better understand the land-based sector’s future operating environment and, importantly, how a country like ours must adapt.”

“SLMACC has contributed heavily towards growing this understanding and enhancing the science capability needed.”

“The review found it’s creating high quality research, engaging stakeholders and end-users,

growing climate change science capability in New Zealand, enabling international collaborations and supporting researchers early in their careers to build their capability and experience.

“A number of other SLMACC benefits were supported by the review, such as building more accurate knowledge about long-term carbon storage in our forests and providing resources to increase awareness of climate change and practical options for use on-farm.”

The SLMACC research programme recently celebrated its 10-year anniversary, marking an investment of around \$50 million in more than 150 targeted basic, applied and policy research projects. A number of its projects are showcased in *Investing in tomorrow*, a booklet released in September 2018.

Investing in tomorrow and copies of the review reports (including a summary of findings) are available on the Sustainable Land Management and Climate Change web page at mpi.govt.nz/funding.



MPI’s *Investing in tomorrow* booklet released in September 2018 showcasing Sustainable Land Management and Climate Change research projects.

Earthquake Recovery Fund projects in full swing

The November 2016 earthquake caused significant erosion and damage to land in Hurunui, Kaikōura and Marlborough. Farmers, growers and foresters continue to be faced with the challenge of deciding what to do with their damaged land. The Primary Industries Earthquake Recovery Fund is designed to help with those decisions, by supporting landowners to investigate long-term land use options.

We talk about two projects supported by the Primary Industries Earthquake Recovery Fund that are providing much needed support to landowners and their communities.

Post-quake Farming Project

The Ministry for Primary Industries (MPI) Post-quake Farming Project (PQF) is supporting the farming community in Canterbury and surrounding regions to recover hill and high country areas affected by the 2016 Kaikōura earthquake. Its aim is to help farmers get optimal returns from their land and resources, which will have benefits in a number of areas, such as supporting wellbeing and growing local communities.

Beef + Lamb New Zealand is leading the project, with involvement from MPI, Environment Canterbury and a group of local farmers. MPI is providing \$1.8 million towards the project, with Environment Canterbury also contributing funding.

An important part of the project is ensuring it delivers solutions that meet community priorities, in a way that works for them.

The project team is talking with farmers, potential consultants and research providers. It'll also link in with Destination Kaikōura, Lincoln University and the biodiversity and farm improvement work being undertaken by Beef +



Members of the Post-quake Farming Project team viewing land damaged by the 2016 earthquake.

Lamb New Zealand and the Red Meat Profit Partnership.

The project has six streams of work:

- A. Designing forestry into grazing systems** – this will help farmers get the best outcomes from the Emissions Trading Scheme and other forestry incentives, while keeping the best land productive.
- B. Forestry resource** – this will focus on the potential of regenerating native forest.
- C. Biodiversity** – this will focus on the positive influence farmers can have on conservation values.
- D. Horticulture and alternative crops** – this will assess the suitability of horticulture across the project's focus areas, and support parts of that community that want to establish a local industry.
- E. Rural tourism** – this will prepare farmers for the significant growth expected from likely tourism opportunities in North Canterbury in the next few years.



The Post-Quake Farming Project (PQF) is supporting the farming community in Canterbury and surrounding regions to recover hill and high country areas affected by the 2016 Kaikōura earthquake.

F. Telling our story – this will help to tell the local story about how farming, tourism, honey production, and other activities support natural and social/cultural values, in a way that creates a commercial or market advantage for the community.

The long-term goal for the project's work is to ensure it pays dividends to rural communities for many years to come.

To subscribe to the project's regular newsletter contact michael.bennett@ecan.govt.nz

Kaikōura Plains Recovery Project

Many farms were subject to ground damage, drainage issues, the emergence of springs, sink holes, localised flooding and damage to stream banks and riparian areas as a result of the 2016 earthquake.

The Kaikōura farming community needed help. Supported by the Kaikōura Water Zone Committee's Nutrient Management Working Group, project partners Environment Canterbury, Fonterra and DairyNZ, an application was made for support from the Earthquake Recovery Fund.

The \$600,000 3-year project, is farmer-led, with a governance group made up of local farmers and community and Rūnanga representatives. It receives considerable in-kind commitment from Environment Canterbury, Fonterra and DairyNZ. The Project Manager is local Jodie Hoggard.

The Kaikōura Plains Recovery Project aims to source technical advice and expertise to give clarity, support and direction to farmers and landowners so they can make informed decisions around the land management issues they're facing, particularly in the following areas:

- **Future land management** – identifying sustainable and suitable land management options and support business development post-earthquake
- **Land remediation options** – researching and demonstrating options to inform best-practice
- **Whole catchment restoration** – scoping ecological restoration options to occur in unison with land remediation options.

The general area covered by the project is from the Hapuku River to the 'flats' or plains surrounding it. This also encompasses dairy farms out to Scott's Road. Although the project has a dairy focus, sheep and beef farms are included in the flats area. It is noted that lifestyle blocks in the project area will also benefit from various project learnings.

The project's recent achievements include:

- Holding an information evening for locals on 13 November to update the community on the project's progress and priorities over the next couple of years. This evening also covered several of the other MPI earthquake recovery projects.
- Working towards inclusion of cultural values and Mahinga Kai into FEPs.
- Funding two scientific reports written by the National Institute of Water and Atmospheric Research (NIWA) which identified the issues facing Lyell Creek and recommended restoration actions to improve water quality and instream health. A programme is now being developed to help towards restoring Lyell Creek/Waikōau as a healthy waterway.
- Installing soil moisture probes on local farms. Many dairy farms are still very wet after the 2016 earthquake. The data from the probes will help farmers to reduce water use, effluent run off and pugging (compaction of wet soil by stock which reduces pasture growth), and increase the water quality into local waterways, save on labour costs and generally understand more about how soils function.
- Starting development of two additional drainage demonstration farms to demonstrate land management techniques that can be considered for the wider rural community.
- Issuing quarterly newsletters. To subscribe contact Jodie Jodie.hoggard@ecan.govt.nz



Information evening for locals on 13 November to update the community on the Kaikōura Plains Recovery Project's progress and priorities over the next couple of years.



One of the Kaikōura Plains Recovery Project's drainage demonstration farms with excess water on a paddock normally used for hay.