



# Primary Growth Partnership

## Annual Report of the Investment Advisory Panel

1 September 2013 to 31 August 2014



## Report

This is the Fifth Annual Report of the Investment Advisory Panel. The Primary Growth Partnership was launched in September 2009. It aims to boost the value, productivity and profitability of our primary sector through investment between government and industry, and provides an essential springboard to enable New Zealand to stay at the forefront of primary sector innovation.

The year started with 14 contracted PGP programmes. Four more were contracted during the year, making a total of 18. One programme was completed on 30 June 2014, leaving 17 PGP programmes underway as at 31 August 2014. MPI and industry co-investors have together committed \$700 million to the 18 programmes over time, of which the Crown's commitment is \$329 million. The 18 PGP programmes vary in length from 14 months to 7 years. Government funding paid to the 18 contracted programmes up to 31 August 2014 was \$118.4 million.

This year the Panel has spent considerable time on its monitoring role, as it continued to review quarterly reports and Annual Plans for programmes. It is pleasing for the Panel to see that good progress is being made by programmes, and that robust stop-go decisions are being made. It is also gratifying to see the innovation being achieved and the awards and recognition being won by a number of the programmes. Outcome models for each of the programmes have now been completed and are included on the PGP website. Although still early days in terms of the long term outcomes being sought, it is clear that progress is being made.

The Panel was also pleased at the level of information now available about PGP programmes—and the PGP itself—on the Ministry for Primary Industries website, and through PGP programmes' own channels. This, along with the PGP monthly newsletter Agri-gate, launched in November 2013, provides useful transparent information about the PGP and its achievements to the public. Agri-gate also provides a useful vehicle to share insights and observations that the Panel has about the PGP and individual programmes, through the Chair's monthly column.

Spillover benefits to the wider primary sector are a key component of the overall outcomes for PGP. Over the last year, the Panel has seen increasing examples of where PGP programmes are driving collaboration across the value chain. It has also become apparent to both the Panel and MPI that there are some key themes across all of the PGP programmes that are imperative to achieve that translation of innovation to productivity, economic growth and sustainability across the primary sector as a whole. These include:

- having excellent research capabilities;
- having the requisite skill base across the sector, and hence the right education;
- putting things into practice;
- designing and undertaking extension activities.

During the year we welcomed Sir Maarten Weevers to the Panel and farewelled Jamie Tuuta. I would like to thank all Panel members for both their passion and diligence during the year. The independence and robustness of thought and debate around programmes whether at the proposal stage, business case stage, or quarterly review and annual plan stage I am sure adds to the success of all of the programmes.

Joanna Perry  
Chair, Investment Advisory Panel  
November 2014

## The Year in Review

### Panel Meetings

The Panel met eleven times in the 2013/14 year, totalling fourteen days. The Panel also undertook a field trip to the Dairy NZ office in Hamilton, where it heard from farm consultants involved in the Train the Trainer programme and visited several of Dairy NZ's farms in the area where trials are taking place, as part of the Transforming the Dairy Value Chain programme.

### Programme Status

The Primary Growth Partnership has contracted 18 programmes, four of which were contracted through the year. One programme was completed during the year. Four new funding proposals were approved by the Panel to develop Business Cases and these are underway.

### Monitoring

Each contracted programme is required to provide a comprehensive report to MPI and the Panel quarterly. From the second year onwards, the programmes also provide an Annual Plan for the coming year. From 1 September 2013 to 31 August 2014 the Panel reviewed the Annual Plans and Quarterly Reports submitted by programmes as required.

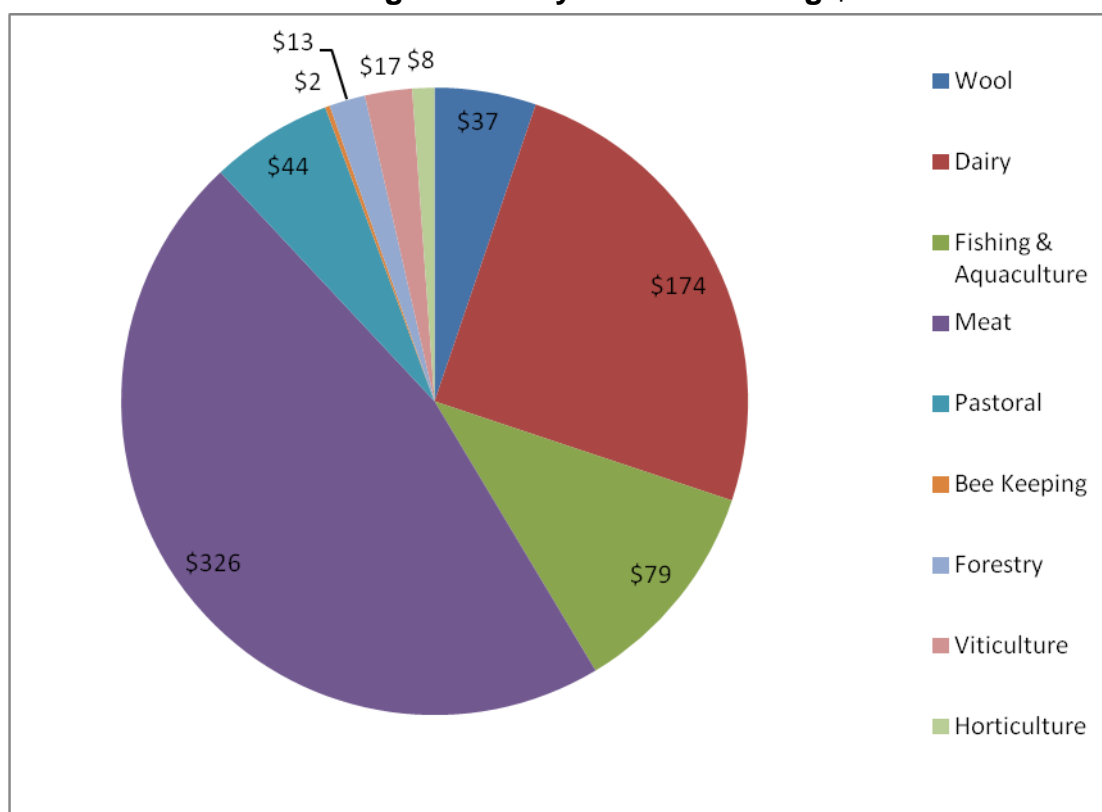
### Media Coverage

The Primary Growth Partnership received a high coverage rate in various rural and national publications throughout the year. Many of these were features on particular programmes and the progress and innovations underway.

### Crown Expenditure

A total of \$700 million has been committed by the Crown and Co-investors over the full terms of 18 PGP programmes. The Crown commitment is \$329 million, of which \$118.4 million has been paid out. A graph showing the distribution of the investment by sector is below.

**18 Contracted Programmes by Sector Totalling \$700 million**



**Primary Growth Partnership Programmes underway as at 31 August 2014**

Innovative Steep –land Tree Harvesting:  
PGP: \$3,262,500 Industry \$3,262,500  
Duration: 6 years. Commenced November 2010

NZ Sheep Industry Transformation – NZSTX ([Merino - more than wool](#))  
PGP: \$15,150,000 Industry: \$21,450,000  
Duration: 5 years. Commenced September 2010

Integrated Value Chain for Red Meat (Farm IQ)  
PGP: \$59,342,000 Industry: \$91,387,000  
Duration: 7 years Commenced November 2010

Transforming the Dairy Value Chain  
PGP: \$84,610,000 Industry: \$85,660,000  
Duration: 7 years Commenced April 2011

High Performance Manuka Plantations  
PGP: \$850,000 Industry: \$850,000  
Duration: 6.5 years Commenced March 2011

Clearview Innovations  
PGP: \$9,750,000 Industry: \$9,750,000  
Duration: 7 years Commenced October 2011

Precision Seafood Harvesting  
PGP: \$26,260,291 Industry: \$26,260,291  
Duration: 6 years Commenced April 2012

SPATnz – Selectively bred, high-value shellfish  
PGP: \$13,032,452 Industry: \$13,032,452  
Duration: 7 years Commenced November 2012

Foodplus  
PGP: \$43,539,574 Industry: \$43,539,574  
Duration: 7 years Commenced November 2012

**Primary Growth Partnership Programmes underway as at 31 August 2014**

Seed and Nutritional Development Technology  
PGP: \$7,145,169 Industry: \$7,482,169  
Duration: 6 years Commenced February 2013

Marbled Grass-fed Beef  
PGP: \$11,046,562 Industry: \$12,301,466  
Duration: 7 years Commenced August 2012

Whai Hua - New Dairy Products and Value Chains  
PGP: \$1,710,000 Industry: \$1,710,000  
Duration: 3 years Commenced June 2013

Red Meat Profit Partnership  
PGP \$32,154,636 Industry \$32,154,636  
Duration 7 years Commenced November 2013

Pioneering to Precision  
PGP: \$5,174,000 Industry \$5,174,000  
Duration: 7 years Commenced October 2013

Lifestyle Wines  
PGP: \$8,125,766 Industry \$8,843,847  
Duration: 7 years Commenced 7 March 2014

NZ Avocados Go Global  
PGP \$4,281,402 Industry \$4,281,402  
Duration: 5 years Commenced June 2014

Stump to Pump  
PGP: \$1,810,586 Industry: \$1,810,586  
Duration: 14 months Commenced July 2013 (Ends 30 September 2014)

**Primary Growth Partnership Programmes completed as at 31 August 2014**

STIMBR – Stakeholders in Methyl Bromide Reduction.  
PGP: \$1,186,000 Industry: \$1,465,204  
Duration: 5 years Commenced September 2011 – Ended 30 June 2014