



## Justine's column



Welcome to our December Agri-gate. In the lead up to Christmas, I can certainly say that things haven't slowed down. Over the last year we've seen a significant amount of activity and achievements across our investment programmes. In this edition of Agri-gate we provide a recap of

some of the highlights. Firstly though, I'd like to talk about some of the more recent ones.

I'd like to welcome the new Sheep – Horizon Three PGP programme, announced in August. We've now signed a contract with Spring Sheep Milk Co. which means the programme can start in earnest. It aims to develop a market driven, end-to-end value chain for sheep milk generating annual revenues of between \$200 million and \$700 million by 2030. It will build an environmentally, socially & economically sustainable industry to meet the growing demand for sheep milk products here and overseas.

As well as the high value sheep milk products expected to be delivered by the programme, an exciting aspect is the collaboration it will enable across New Zealand's emerging sheep milk industry. Through sharing the knowledge and expertise gained, the programme will establish a platform for industry to build up to 55 farms over time. These farms will have optimised farm systems to meet New Zealand



Photo of Spring Sheep Milk Co.'s farm near Taupo on the first of its open days attended by 100 people, including current sheep dairy farmers or those looking to enter into this industry.

conditions, managed by farmers with specific sheep milking expertise.

Further information about the programme is available on our Ministry for Primary Industries (MPI) [website](#). MPI also issued a media release on the programme, which you can see on our [PGP News](#) page.

Last week Fonterra announced that it will be investing \$240 million to build a new mozzarella plant at its Clandeboyne site in South Canterbury, leveraging the success of the Transforming the Dairy Value Chain PGP programme. We

talk about this a little more in this edition of Agri-gate.

I'd like to congratulate Ballance Agri-Nutrients for their recent win at the New Zealand Spatial Excellence Awards. Ballance won the Innovation and Commercialisation category for SpreadSmart™ – technology developed by their Clearview Innovations Primary Growth Partnership (PGP) programme.

SpreadSmart™ has automated the aircraft fertiliser application process by connecting the hopper and hopper controller to a GPS unit. A predefined spread map is loaded into the GPS to control fertiliser flow and placement. This technology will create better pasture productivity and enable targeted fertiliser applications around environmentally sensitive areas and enable pilots to focus on flying.

I'd also like to congratulate Ravensdown who were finalists in the same category for their IntelliSpread™ fertiliser delivery system. IntelliSpread™ will complement the AirScan™ technology being developed by Ravensdown's Pioneering to Precision PGP programme (we talk a little more about AirScan™ in this edition of Agri-gate). When combined, the goal is to provide a highly accurate fertiliser application and verification system.

I'd like to also acknowledge the Sustainable Farming Fund Pomahaka catchment project. The project was a real life sustainability case study about a group of farmers working hard to improve water quality within their catchment. This project is focused on connecting with landowners and

stakeholders in the Pomahaka catchment to identify issues and options of best management practice to improve water quality while optimising farm profitability.

They recently released a video which tells a success story of farmer engagement to drive and achieve visible results. **Check out the video.**

As a result of responses to our readers' survey in September, we'll be changing the frequency of



Agri-gate from monthly to bi-monthly from February 2016. We'll continue to provide updates on MPI's work across our various investment programmes and other relevant MPI initiatives. Thanks again to those who responded to our survey.

Finally, I'd like to wish you all a safe, relaxing and enjoyable Christmas and New Year. I look forward to working with you in what is shaping up to be a busy year ahead.

Justine Gilliland  
Director Investment Programmes

## From the Chair, PGP Investment Advisory Panel



As this edition of Agri-gate attests, there has been a wealth of achievements across the PGP programme portfolio, and

indeed other Ministry for Primary Industries investment programmes, over the last year.

In my seven months as Chair of the PGP Investment Advisory Panel (IAP), I continue to be impressed by the breadth and scale of the achievements.

The latest has been Fonterra's announcement that it is investing \$240 million to build a new mozzarella plant at its Clandeboye site, driven in part by the Transforming the Dairy Value Chain PGP programme.

This is a very good example of some of the longer term benefits enabled by the PGP. The Transforming the Dairy Value Chain PGP programme supported the development of world-leading technology to produce mozzarella in a fraction of the time than traditionally, providing confidence for further investment. This has obvious benefits in itself.

The plant will create new jobs, enable production to be scaled up and contribute significantly to the local economy. But the flow on means there are significant additional benefits. There will be benefits to those involved in the design and construction of the plant and all of the work to make it operational. Therefore, the benefits from the initial innovation are so much greater.

As Justine mentioned in her column, the Sheep – Horizon Three PGP programme has now formally started. On behalf of the IAP I'd like to welcome programme partner Spring Sheep Milk Co. to the PGP. Sheep – Horizon Three will provide a major boost by creating a high value, sustainable sheep milk industry in New Zealand.

On these positive notes, I would like to wish you and your families a safe and relaxing break over Christmas and the New Year. It has been a very busy and productive year, and I look forward to further PGP success next year.

John Parker  
Chair of the IAP

# Highlights



**February 2016** – The Wool Unleashed (W<sup>3</sup>) PGP programme formally began. Led by The New Zealand Merino Company (NZM), this is a seven-year, \$22.1 million PGP programme which aims to change the way strong wool is produced, marketed and sold.

**February 2016** – Manuka Farming New Zealand, the commercial arm of Mānuka Research Partnership Limited who leads the High Performance Mānuka Plantations PGP programme launched its website to help communicate the benefits to landowners of planting high performance mānuka: [www.manukafarmingnz.co.nz](http://www.manukafarmingnz.co.nz)



**March/April 2016** – MPI approved \$1.6 million in funding for 29 new vet graduates under the Voluntary Bonding Scheme (VBS) for Veterinarians. VBS supports new vet graduates who have taken up roles in practices with a focus on production animals. An additional graduate was approved in June taking to total number of new participants to 30, the maximum able to be approved in any given year.

**February 2016** – Precision Seafood Harvesting (PSH), led by Sanford, Sealord and Aotearoa Fisheries (now Moana), launched Tiaki, a new category of premium seafood caught using PSH technology.



**March 2016** – MPI committed funds to a number of water infrastructure projects through the Irrigation Acceleration Fund. This included:

- \$804 000 towards the Wairarapa Water Use Project to support investigations into how water storage could provide a reliable water supply.
- \$250 000 committed to the Managed Aquifer Recharge Trial led by Gisborne District Council. The trial aims to recharge the Makauri Aquifer to provide a reliable water supply for existing irrigators and to extend the current irrigation areas of the fertile Poverty Bay Flats.
- \$575 000 committed to the Hawke's Bay Regional Investment Company Ltd for the

Ruataniwha Water Storage Scheme.

- An \$895 000 funding boost to the Flaxbourne Community Irrigation Scheme towards the completion of investigations and preliminary design.
- \$520 000 granted to the Hurunui Water Project for the first stage of their full feasibility programme.
- \$312 000 to match funds from Environment Canterbury and irrigation schemes to establish a groundwater recharge pilot project in mid Canterbury. Early results in terms of groundwater quality improvement and groundwater replenishment are very encouraging.





**April 2016** – 25 new projects were awarded funding through the Sustainable Farming Fund, totalling \$6.9 million over three years. The SFF supports farmers and researchers involved at grass-roots level to tackle shared problems or develop new opportunities. 2 additional projects were awarded funding in July 2016.

**May 2016** – New Zealand Avocado announced a 25 percent increase in Orchard Gate Return, effectively doubling industry revenue to \$134 million, supported by their New Zealand Avocados Go Global PGP programme.



**May 2016** – ANZCO, through its FoodPlus PGP programme, commercialised a range of slow cooked ribs and lamb shanks for food service and retail under the brand Nourish.

**May 2016** – John Parker started his term as Chair of the PGP's independent Investment Advisory Panel, replacing Joanna Perry.

**May 2016** – Ballance Agri-Nutrients' Clearview Innovations PGP programme demonstrated new tools to help farmers farm more profitably and sustainably. The N-Guru™, MitAgator™ and SpreadSmart™ tools were demonstrated to the Minister for Primary Industries, Hon Nathan Guy, media and others, at a farm in the Wairarapa.

**May 2016** – Ravensdown opened its Precision Blending Plant. While it wasn't developed as part of Ravensdown's PGP programme, Pioneering to Precision, it complements the programme's focus on precision fertiliser application. Pioneering to Precision is developing AirScan™ sensing technology as part of its PGP programme. It provides the ability to remotely sense soil fertility on hill country using hyperspectral technology to scan a whole farm's nutrient needs including nitrogen, phosphorus and potassium status from the air.

**May 2016** – Australian Agriculture Ministers and officials were given a first-hand look into the PGP and three of our PGP programmes – Precision Seafood Harvesting, SPATnz and Lifestyle Wines. This was part of a study tour and forum hosted by New Zealand as part of the regular Australian and New Zealand Agriculture Ministers' meeting.

**May 2016** – \$75 000 was committed to a Northland Strategic Irrigation Infrastructure Study through the Irrigation Acceleration Fund. This project adopted a two stage approach to defining priority areas for more detailed technical investigation and assessment. The results of the study showed great potential for further investigation which is now underway.



**June 2016** – The Red Meat Profit Partnership (RMPP) celebrated the first anniversary of its Pilot Farms programme. Since its launch last year, it's been delivering significant benefits for farmers, who are valuing the learning and changing their on-farm practices for the better. There are around 75 farm businesses currently involved in the programme.

**May 2016** – The Precision Seafood Harvesting PGP programme won the inaugural Māori Innovation Award at this year's Hi-Tech Awards. The awards celebrate the successes of New Zealand high-tech companies.

**June 2016** – At the Mystery Creek Fieldays this year we featured a PGP site attached to the main Ministry for Primary Industries (MPI) site. The theme of this year's Fieldays was 'Collaborate to Accelerate Innovation', which is a good fit for the PGP. We also held two short 'drop-in' events at our site for current PGP programme partners attending Fieldays, and companies who might be interested in future investment from the PGP.



**June 2016** – \$92 000 was committed to the Manuherikia Catchment Water Study Group through the Irrigation Acceleration Fund. The fund assisted with their formal expression of interest process and stakeholder communications to assess support for the programme's continuation.



**June 2016** – The New Zealand Merino Company (NZM) and Reda Successori announced a \$45 million, five-year, 2500 tonne contract for 15.8–19.2 micron fibre. This was enabled by the New Zealand Sheep Industry Transformation (NZSTX) PGP programme.



**July 2016** – This month Hon Jo Goodhew, Associate Minister for Primary Industries, marked the success of the first round of the Afforestation Grant Scheme with a tree planting at Banks Peninsula on 20 July. 2900 hectares were approved for planting in total.

**July 2016** – The Steepland Harvesting PGP programme successfully demonstrated 'tele-operation' forest harvesting technology to the Associate Minister for Primary Industries, Hon Jo Goodhew, media and industry in Nelson. 'Tele-operation' technology provides control for a purpose-built tracked feller-buncher forest harvester, from the safety of a purpose built operator cabin and console.

**July 2016** – MPI and Crown Irrigation Investments Limited (CIIL), a crown entity, changed the way irrigation funding is managed. MPI now manage government funding for community irrigation scheme and strategic water management studies, while CIIL manage government funding for regional irrigation schemes through to construction ready phase. The change did not alter the amount of government funding available for supporting water infrastructure. MPI is still the first point of contact for all new schemes and still lead national irrigation matters including policy.



**July 2016** – \$75 000 was granted to the Rangitikei District Council through the Irrigation Acceleration Fund. The funding went towards a pre-feasibility study for a proposed Tutaenui Community Irrigation and Stock Water Scheme and assessment for the Hunterville Rural Water Scheme decentralisation and intensification.

**September 2016** – The Steepland Harvesting PGP programme demonstrated an early prototype of their robotic tree-to-tree felling machine developed by Future Forests Research Limited, Scion and the University of Canterbury's mechatronics programme.





**September 2016** – MPI announced funding for thirteen research projects totalling \$3.1million through the Sustainable Land Management and Climate Change research programme. The SLMACC programme invests in crucial research that supports our agriculture and forest sectors facing the challenges that arise from climate change.



**September 2016** – the Seeds and Nutritional Technology Development PGP programme, led by PGG Wrightson Seeds Ltd, Grasslanz Technology Ltd, reported that its new hybrid brassica demonstrated improved water-use efficiency (+38 percent), aphid tolerance (+32 percent), clubroot resistance (100 percent), lower glucosinolate levels (-80 percent), excellent seed yield potential and improved agronomic performance (+14 percent DM yield) compared to Goliath rape across a range of regional sites. It also reported that its cattle grazing trial resulted in an approximate 30 percent higher live-weight gain per hectare without any increase in brassica associated liver disease. Initial on-farm studies have also shown strong improvements in lamb finishing systems with >\$2000/



**September 2016** – This month we notified the successful applicants of the 2016 Afforestation Grant Scheme funding round. 81 applications were funded which will see an additional 4818 hectares planted in winter 2017.

**September 2016** – Silver Fern Farms, Alliance and Firstlight Foods, under the Passion2Profit PGP programme led by Deer Industry New Zealand, reported successful promotion of Cervena™ in Belgium and the Netherlands. Further promotion in those markets is expected in 2017, and the programme is expecting more companies to join this collaborative activity.

**September 2016** – The 2017/18 funding round for the Sustainable Farming Fund closed on 8 September. 77 project applications were received, requesting a total of \$21.4 million. Most projects are carried out over three years with a maximum MPI contribution of \$200 000 each year. Decisions on funding will be announced in early 2017.



**September 2016** – The Marbled, Grass-fed Beef PGP programme, led by Firstlight Foods Ltd, Brownrigg Agriculture Group Ltd, reported that Dairy x Wagyu animals represent nearly 50 percent of processing numbers and their average marbling scores are exceeding Angus x Wagyu. Also, the target number of matings for the 2016 calendar year is more than 34 000 (up from the original programme target of 26 000).



**October 2016** – A new software company, FarmIQ Systems Ltd, was created to expand sales of the world-leading pastoral farming software developed through the FarmIQ Primary Growth Partnership (PGP) programme, which is led by Silver Fern Farms, Landcorp Farming Ltd, Tru-Test Ltd.

**October 2016** – The Red Meat Profit Partnership introduces the New Zealand Farm Assurance Programme aimed at lowering farmer costs and reducing duplication, working with industry partners and the Passion2Profit PGP programme led by Deer Industry New Zealand.

**October 2016** – the New Zealand Culinary Olympics team opted to use Omega Lamb as the centrepiece of its main dish. The judges at the prestigious culinary contest, which ran from 21–26 October in Erfurt, Germany, awarded the dish a silver medal. The Omega Lamb PGP programme is led by Alliance Group and Headwaters New Zealand.



**October 2016** – Constellation Brands, a partner in the Lifestyle Wines PGP programme, received the 'Business Innovation Award' at the recent 2016 New Zealand Food Awards for their VNO Lighter wine range – a wine with lower calories and alcohol content. This wine was developed using innovative natural techniques enabled by Lifestyle Wines programme, led by NZ Winegrowers and 18 contributing wineries.

**October 2016** – Fonterra received the Innovation in Food and Beverage Award at the 2016 New Zealand Innovation Awards for its research into infant nutrition and the role of gangliosides, a complex lipid in human breast milk that is believed to aid cognitive development in new-borns and toddlers. This research is a product of the Transforming the Dairy Value Chain PGP programme.

**November 2016** – The results of the 2016 Afforestation Grant Scheme funding round were celebrated at the Christchurch A&P Show on 10 November with Associate Minister for Primary Industries, Hon Jo Goodhew.





**November 2016** – On 1 November the Ministry for Primary Industries (MPI) held its Food and Fibre Future Conference in Wellington, followed by the annual Primary Growth Partnership (PGP) Expo. The conference brought together those working in our food and fibre sectors, related businesses, media and others to learn about the major trends, developments and challenges facing these important sectors. It also considered how these industries can prepare for the challenges and opportunities the next 10 to 20 years may bring.



**November 2016**  
– Precision Seafood Harvesting presented information about the programme to the King and Queen of Netherlands, His Majesty Willem-Alexander and Queen Maxima, at an event in Auckland.

**November 2016** – Two improvements were announced to the Erosion Control Funding Programme. Firstly, the payment structure was changed so grantees could receive grant payments upfront as this was proving to be a barrier to uptake. The new payment structure was implemented immediately. The second improvement extended the land categories that are eligible for the programme to broaden the amount of land available for erosion treatment. This will be implemented from the 2017 funding round onwards.

**November 2016** – MPI announced the results of the Erosion Control Funding Programme 2016 round. 37 Gisborne properties will receive \$2.39 million worth of treatment to combat erosion on 1438 hectares of land. The funding will support farmers to combat the effects of erosion is critical as it can have a negative economic and environmental impact on the district's hill country farms, infrastructure, waterways and high-quality land on floodplains.

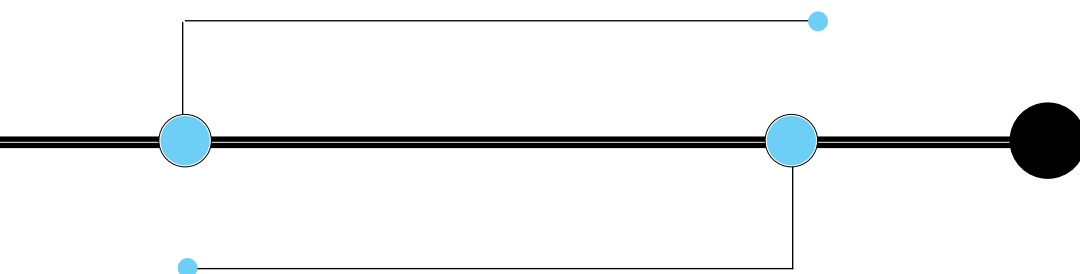


**November 2016** – we published video about the PGP on the **MPI YouTube channel**, featuring the Minister for Primary Industries, Hon Nathan Guy, MPI staff and some of our PGP programme partners.



**December 2016** – The Sheep – Horizon Three PGP programme formally started this month (see Justine's column for further information).

**December 2016** – Fonterra announced that it will be investing \$240 million to build a new mozzarella plant at its Clandeboyne site in South Canterbury, driven in part by the success of the Transforming the Dairy Value Chain PGP programme. This will be the single largest foodservice investment in the history of New Zealand's dairy industry. World-leading technology enabled by Transforming the Dairy Value Chain enables Fonterra to produce natural individual quick frozen mozzarella in six hours, a process that traditionally took three months. This gave Fonterra the confidence to invest in a new plant, which will create jobs, scale up production and contribute to the region's economy.



**December 2016** – The Whai Hua – New Dairy Products and Value Chains PGP programme, led by Wairarapa Moana ki Pouakani Incorporation, Miraka Ltd, Kanematsu New Zealand Ltd, ends on 31 December 2016. An independent programme evaluation will be undertaken.

Thanks to all of our  
readers, programmes  
and project partners,  
and others involved in a  
successful year.

We look forward to 2017.

