



Justine's column



Welcome to our April edition of Agri-gate.

Earlier this month, the Minister of Finance, Hon Grant Robertson, announced the Government is winding down public funding of large-scale irrigation Crown Irrigation Investments Limited (CIIL).

This is based on Government's view that large-scale private irrigation schemes should be economically viable on their own, without requiring significant public financing.

The Government will honour all existing CIIL commitments for development contracts, to the close of the current phase of each contract. In addition, three schemes will be funded for their construction phases due to their advanced status, subject to meeting the normal requirements for CIIL finance. One is already under construction and the two other schemes have signed term sheets with CIIL. These are:

- completion of Central Plains Water Stage 2: situated on the Canterbury Plains;
- construction of the Kurow-Dunroon scheme: situated in Kurow, South Canterbury;
- construction of the Waimea Community Dam: situated in Nelson/Tasman.

Smaller-scale, locally-run and environmentally sustainable water storage projects can still be considered on a case-by-case basis through the Provincial Growth Fund, due to the importance water plays in growing provinces. Any proposed water storage projects must demonstrate strong alignment with the objectives of the Provincial Growth Fund, and in particular must be environmentally sustainable and deliver benefits across the community.

For information or queries, email funding@mpi.govt.nz

In this edition of Agri-gate we feature:

- Investment Advisory Panel Chair John Parker's reflections on the recently completed Transforming the Dairy Value Chain Primary Growth Partnership programme;
- a reminder about applications for the Afforestation Grant Scheme;
- an update on the review of the Primary Growth Partnership (PGP);
- an update on the Red Meat Profit Partnership PGP programme and findings of an independent review;
- a spotlight on a Sustainable Farming Fund aimed at improving pastures and productivity of sheep farming on hill country dryland; and
- a profile of the Passion2Profit PGP programme that's increasing the long-term viability of New Zealand's deer industry.

This will be my last edition of Agri-gate. From the end of July, I will be finishing up at MPI, and focusing on a new career direction in governance, and also moving to Taranaki - my home province. Until then, I'm filling the role of Deputy Director-General for Sector Partnerships and Programmes at MPI.

Over the last five years, I've worked with some amazing people here at MPI and across the food and fibre industries. I've seen real passion towards making a difference for our primary industries, people, environment, economy and for New Zealand overall. I'm proud to have been part of this.

We will let you know of my replacement as soon as the recruitment process has been completed.

Justine Gilliland



From the Chair, PGP Investment Advisory Panel

Welcome to this edition of Agri-gate.

At the end of January, the Transforming the Dairy Value Chain Primary Growth Partnership (PGP) programme reached its end. It was a seven-year, \$170 million innovation

investment led by Fonterra and DairyNZ, and partnered by the Ministry for Primary Industries (MPI).

Other partners were LIC, NZ Young Farmers, Zespri, Synlait and Agricultural Services Limited, and a number of other organisations were involved in delivering the programme.

Transforming the Dairy Value Chain created new dairy products, increased on-farm productivity, reduced environmental impacts, and improved agricultural education. The initiatives continue. For example, its mental health initiatives are helping to support and grow the resilience of New Zealand dairy farmers, by providing them with skills and knowledge to identify and deal with stress and depression. And programme partner and co-investor Fonterra is continuing to receive benefits from the new products developed by the programme, such as quick frozen mozzarella cheese.

A key intent of the PGP is delivering long-term growth and sustainability in the primary industries. While a PGP programme may have reached its conclusion, its benefits, initiatives and change must be felt long after. This is built into the design of each and every PGP programme, and is monitored by the programme and MPI for a term agreed by the partners. After all, a significant amount of time, taxpayer and industry funding, and effort has been invested collectively into the programme.

As is the governance process set by MPI for all PGP programmes, the Transforming the Dairy Value Chain team is developing its final report which will outline, among a number of other things, its objectives and what it achieved, what may not have gone according to plan – such is the nature of innovation – and their lessons. It will also outline any benefits not foreseen at the start of the programme.

MPI will also be commissioning a final independent evaluation of the programme, the findings of which will be published on the MPI website.

The PGP Investment Advisory Panel awaits with bated breath the variously signalled but currently unclear intentions for PGP of the Government. A review announced by the Minister of Agriculture is well underway, and due for completion at the end of May. In the meantime those programmes underway and those in the pipeline are "business as usual" but we expect at least some change post May.

Justine Gilliland, Director of Investment Programmes at MPI, is leaving to explore other ventures. As leader of the MPI team the Investment Advisory Panel deals with, Justine has been responsible for a great job in guiding the PGP. It's no easy task given the diverse participants from primary industries and government. Her aplomb is truly admirable as she keeps all participants (especially the Panel chair!) reasonably in line and always on task. Her knowledge is encyclopedic as is her memory. Inside that always calm and pleasant exterior is a core of steel. We will certainly miss her guiding hand and wish her well in the future.

John Parker
Chairman, PGP Investment Advisory Panel

Afforestation Grant Scheme

– get your applications in

If you're thinking of planting trees on your land, the Ministry for Primary Industries' Afforestation Grant Scheme (AGS) could help.

Get your applications in now: the 2018 funding round closes on 14 May 2018.

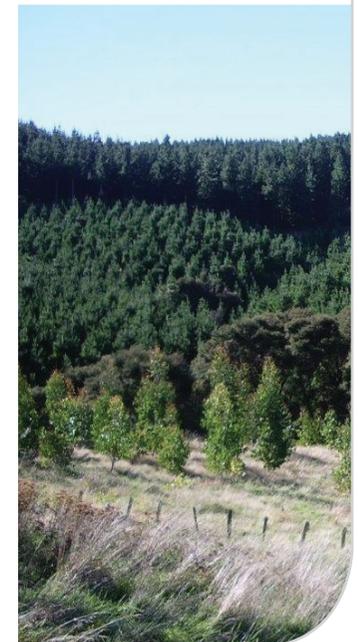
Head to www.mpi.govt.nz/ags for further information on the AGS or to apply.

If you're looking at planting but don't think your plans will fit within the AGS, we'd still love to talk with you. Send your contact details to funding@mpi.govt.nz and we'll be in touch to discuss how we may be able to help.

The AGS contributes to the Government's One Billion Trees Programme. Through the AGS, MPI provides grants to landowners to plant new small to medium-sized forests of between 5 hectares to 300 hectares. Larger sized areas will be considered by MPI.

Native or exotic trees can be planted and your application can include a mix of forest species. A forest species is one able to grow to at least five metres in the place you've planted it.

We'll advise applicants of the outcome of their applications later in 2018.



Red Meat Profit Partnership Action Networks underway

Tangible benefits are emerging from a significant coalition underway between the government and industry, writes Red Meat Profit Partnership (RMPP) Chairman Malcolm Bailey.

The programme started by researching what top performing red meat farmers do. This research showed that the top performers aren't radically different but that they are good at planning and monitoring and using farm and animal performance data to quickly fine tune their operations. This validated the old saying "what you measure you improve".

The Red Meat Profit Partnership (RMPP) is a Primary Growth Partnership programme formed to sustainably lift sheep and beef farmers' productivity and profit.

Back in 2009, the Red Meat Sector Strategy estimated that an additional \$880 million per year in additional farm revenue was possible by 2025. This number was based on getting the so-called "average farmer" to lift their performance up to the level of top performers in the sector.

We have a significant coalition of New Zealand industry partners working together. RMPP brings together nine partners; most of the major meat processors, Beef+Lamb NZ, ANZ and Rabobank supported by the Ministry for Primary Industries (MPI).

The support of the Crown is significant. It enables the RMPP to have the resources to have a longer time horizon to thoroughly research ways of achieving solutions and take some risks that private sector investment alone would not.

This approach is why there has been significant investment at the front end of the programme with tangible benefits now emerging.

RMPP has also researched what influences farmers to change what they do. While there is no simple answer to

this, the lessons from the Pilot Farms organised by RMPP processing partners underpins the development of the RMPP Action Network.

While field days and discussion groups were found to be helpful for raising awareness about new ideas and technologies, a different approach is required to get most farmers to put ideas into action.

RMPP's research found that encouraging farmers to form a group of eight or so farm businesses - that share common challenges and goals - and then supporting them with facilitation and seeding money to meet the cost of expert advice, works.

These groups aren't discussion groups. To join up, farmers are required to commit to developing group and individual action plans and co-investing to make them happen.

The key determinant of RMPP's success will be getting a large number of red meat farmers – we are targeting 3000 – to participate in this new approach to adopt best practices. The roll out of the Action Network is underway now.

The need for the agricultural sector to attract a lot more people - MPI has estimated the need for nearly 50,000 by 2025 - underpins a significant part of the "human capability" activities within the RMPP.

The programme has developed education programmes from primary to tertiary level to encourage more young people to take up careers in the industry.

The RMPP's *Understanding your Farming Business* courses, run in conjunction with the Agri Women's Development Trust, have already helped 800 women to build their business knowledge, skills and confidence to become more actively involved in their farm business planning and operations.

Follow-up Future Focus courses for farm partners, that enable the "farm team" to work on their business planning together, have typically been filled within a fortnight of being offered.

Other RMPP initiatives include the development of an electronic version of the Animal Status Declaration form (eASD). It's mandatory for farmers to supply this information for biosecurity purposes when animals are shifted and the electronic version is fast and efficient. The eASD will be available to the whole of New Zealand's farming community, not just the red meat sector. Learning Modules offered online through the Knowledge Hub also support farmer adoption of new knowledge and technology.

RMPP has developed the NZ Farm Assurance Programme (NZFAP) that will streamline the farm audit process and eventually ensure all farmers are working to the same baseline standards in areas such as animal welfare. Fifteen companies are now using the NZFAP. This work underpins work on the NZ Red Meat Story – an initiative that will establish the provenance of NZ red meat in our key markets.

RMPP is now past the half way point of its seven year life. From this point on, the key task is getting farmers on board in Action Groups. We remain on track to finish under budget, and deliver real, meaningful change for our red meat industry.

Independent review of the Red Meat Profit Partnership

The Red Meat Profit Partnership (RMPP) has received recognition of its achievements in an independent progress review, RMPP chairman Malcolm Bailey says.

RMPP is a Primary Growth Partnership (PGP) programme, jointly funded by the Ministry for Primary Industries (MPI), Beef+Lamb New Zealand, two banks, and six meat processors.

It aims to improve the financial performance of sheep and beef farmers by helping them access resources to drive sustainable productivity improvements.

RMPP's progress has been independently reviewed, a key part of the governance process for PGP programmes, and that review report has been published on the MPI website.

Malcolm says the review provided an opportunity to obtain an independent view on progress.

"We want RMPP to deliver for farmers and the industry and identifying areas for improvement is just as important as recognising what has gone well."

Malcolm says the review recognises a number of significant achievements by the programme.

These include:

- securing collaboration between a wide range of diverse sector participants;
- moving extension from pilot to roll-out far ahead of schedule;
- gaining credibility and traction in the areas of attracting talent and capability development;

- wide industry acceptance of electronic Animal Status Declaration (eASD) developed by RMPP; and
- securing broad industry commitment to the New Zealand Farm Assurance Programme.

"The review provides a valuable snapshot of the programme as it was at the time of the review," says Malcolm.

"Has everything gone as we planned? No. There is inherent risk in the RMPP programme and we have to deal with that. RMPP has undergone significant change, as the programme moves from the learnings of the research phase to delivery phase."

The report notes that the programme has made significant progress subsequently.

"The tools for farmers have been developed, and now a big engagement drive is underway. We aim to get 3000 farms around New Zealand joining RMPP Action Network groups of about eight farms with the objective of working with each other and expert advisors to raise production and profit."

Malcolm also noted the need to shift more resources to stakeholder engagement.

"The review sees this as a critical area, as do we, which is why RMPP is investing in extra staff."

Malcolm says RMPP has implemented the recommendations by the review team and as chairman, he is confident the organisation is well placed to achieve its goals.

Review of the Primary Growth Partnership progressing well

In January, the Ministry for Primary Industries (MPI) kicked off a review of the Primary Growth Partnership (PGP). This followed an announcement of the review late last year by the Minister of Agriculture, Hon Damien O'Connor.

Phase two of the review is progressing well. The review team, led by an independent reviewer, has gathered and is analysing information such as PGP programme business cases, annual plans and quarterly reports, and quarterly reports.

The review team has sent questionnaires to PGP programmes, and has held interviews with a good cross section, and with other government agencies who administer other funding schemes, the PGP independent Investment Advisory Panel and relevant Ministry for Primary Industries (MPI) staff.

The information collected will help with phase two of the review, which focuses on the outcomes and economic benefits to date from PGP programmes. This phase is expected to be completed in May.

Sustainable Farming Fund spotlight: improving pastures and productivity of sheep farming on hill country dryland



Establishing annual clovers on farmer Pete Swinburn's property in Central Hawke's Bay.

For many years, getting legumes into hill country dryland has proven challenging. This is typical for some 765,000 hectares on the East Coast of the North Island. Growing quality pasture on the land is difficult, but a new government and industry project starting this July aims to make grazing on this land a whole lot better.

"Hill country represents a much greater area than gentler, flatter farm land," says Paul Muir of On-Farm Research. "This means there's massive potential to increase production from improving soil fertility and feed quality.

Pastures on the hill country dryland on the East Coast are generally lacking legumes such as clover, a vital pasture for sheep. Instead they're generally characterised by a wide range of low fertility grasses such as Browntop and Danthonia.

Previous research by the Ministry for Primary Industries (MPI) Sustainable Farming Fund (SFF), Hawkes Bay Regional Council and Beef + Lamb New Zealand showed that a dramatic increase in sheep returns is possible if plantain and clovers are incorporated into the cultivatable parts of hill country farms.

This research was undertaken as part of the Future Forage Systems SFF Project, which wrapped up in 2017. The project identified plants and management systems which could be game changers for

East Coast dryland.

"We found that 'tap-rooted' and 'hard-seeded' annual clovers such as Arrowleaf have the potential to make massive gains for pasture on hill country dryland," says Paul Muir. They can draw moisture and nutrients from a much greater depth, and their vigorous growth means they can be competitive with resident pasture.

"They grow through spring when more moisture is available and can produce much greater yields than other legumes. Incorporating higher yielding legumes into hill country farms will increase soil fertility, which should result in better and more productive grass species. There are real challenges around managing and fitting these new erect annual clovers and this is what the project is all about."

The new SFF project, called Managing Annual Clovers in Dryland Hill Country, kicks off in September and will run to the end of 2019. Its aims to build on outcomes of the Future Forage Systems SFF Project by getting more legumes and therefore higher producing and more resilient hill country.

MPI is investing \$72,080 into the project through the SFF. Partners Beef + Lamb New Zealand are investing \$150,000, Hawkes Bay Regional Council \$15,000, and farmers are contributing around \$12,000 in in-kind support.

"This new project is a good, natural next step from our previous project, as it'll help us move from the better cultivated land into uncultivable hill country. "Past experience has shown us that science and research in isolation doesn't lead to effective adoption and implementation of improvements on-farm. Barriers have included farmers not having access to the required information and support and, as a result, lacking the confidence to adopt improvements and new technology."

"We'll be developing recommendations and the necessary systems to help farmers to integrate and manage clovers on their dryland hill country," says Paul Muir. "We'll be working with Beef + Lamb New Zealand 'Innovation Farms' to get more clovers into hill country, and in particular learn how we manage new erect annual clovers. Other farmers will be able to see what works and what doesn't work first-hand and ensure benefits from our project can be rolled out to other hill country dryland farmers around the country.

"We hope our project and our efforts will be a game-changer for the industry."

Deer PGP programme getting runs on the board

The Primary Growth Partnership programme, Passion2Profit (P2P) is motivating changes aimed at increasing the long-term viability of the deer industry.

P2P has a dual focus, says P2P programme manager Innes Moffat. On the farm, it is providing farmers with the tools

and confidence to profitably supply the right animals, at the right time, to meet market demands. In the marketplace, it is positioning NZ farm raised venison as a premium non-seasonal meat in new markets and new segments of existing markets.

In the third year of the seven year programme the industry observed higher carcass weights at slaughter and better fawn survival rates at weaning – both of which reached record highs in 2017.

“While a good growing season will have played a part in this, there is also a strong focus among deer farmers on better feeding, and animal health especially during the summer and autumn. This in turn helps set young deer up to achieve the growth targets needed to better meet market requirements,” says Innes.

In the last three seasons, the five major venison marketing companies and Deer Industry NZ have successfully marketed chilled farm-raised venison as a novel summer grilling meat to foodservice in the Netherlands and Belgium. This summer, the pilot will also be expanded in Germany. Achieving sales during the Northern hemisphere Summer allows New Zealand venison to be sold as chilled rather than frozen, generating additional returns of over \$3,000 per tonne on average.

“In the last two northern summers, sales to these markets have topped 50 tonnes – a volume that was limited by lower supply,” Innes says. “The first three years of P2P saw a shrinking national deer herd and now a retention of breeding hinds which results in a rapid decline in the deer slaughter and record prices from traditional markets.

“Yet the five major venison marketers know that traditional markets are cyclical. To their credit they continue to work collaboratively with Deer Industry NZ and each other. As a result, chef awareness in these markets of our venison as a grilling item suitable for summer cuisine is growing, providing a platform for selling much greater volumes of chilled product when production increases,” says Innes.



Cervena venison and pomegranates – a summer dish for European diners.

“That said, long-term success will require a commitment to ongoing market promotions to overcome strongly held perceptions in Europe that venison is winter fare.”

A major goal of P2P is to give farmers the confidence and tools to invest in profitable deer production. The first signs that this is coming to fruition were seen from late 2017 with small but sustained increases in hind retentions by farmers.

A recent survey of deer farmers bears this out. Seventy per cent said their deer operations were more productive than they were five years before and a net 21 percent were intending to expand their deer operations.

Advance Parties are one of the effective ways used to encourage practice change. Initially trialled in 2014 with help from the MPI Sustainable Farming Fund, there are now 25 groups around the country involving more than 250 properties (about 15 percent of commercial deer farms) undertaking projects with the support of their Advance Parties. Most of these focus on increasing herd efficiency, while managing the environmental impact.

In addition, all deer farmers are being supplied with comprehensive deer farming fact sheets to help them make informed decisions, with links to on-line tools to help with monitoring and managing their deer operations. They have also been provided with production targets and guidance on how to achieve them.

An important national programme that links farm practice with market expectations is the DeerQA on-farm standard, developed by merging and updating the on-farm standards of all five marketing companies. The standard for deer has been included in the NZ Farm Assurance Programme for all livestock, developed by the RMPP PGP programme.

“In a bold step, the five marketers have also agreed to only source deer for the Cervena™ venison marketing programme from quality assured farms. This adds credibility to the Cervena™ appellation, which promises pasture-raised venison of consistently high eating quality from farms that are committed to good farming practice,” Innes says.



Lindsay Patton, farm manager, Orari Gorge Station.

Proactive animal health management

A new concept in animal health management has been developed by P2P. The deer health review is a process that puts the management of production-limiting deer health issues under the control of the farmer. In consultation with their vets, farmers undertake a practical assessment of the health risks affecting production. This provides a starting point for drafting a farm animal health plan, a service already offered by many vets, but until now not widely adopted by deer farmers.

The concept has been welcomed by the NZ Veterinary Association and Massey University and a sheep and beef version is being developed by the Red Meat Profit Partnership, another PGP programme. Most importantly, it has been enthusiastically supported by farmers with whom it has been piloted. They cite improved effectiveness of their animal health spend and better animal welfare.

Lindsay Patton, livestock manager at Orari Gorge Station in South Canterbury, was an early adopter. He and his vet, Phillip Skinner, used the review to set new production targets for his deer, tailored to the circumstances of his farm.