

Progress Review:  
Red Meat Profit  
Partnership  
Primary Growth  
Partnership Programme

maven

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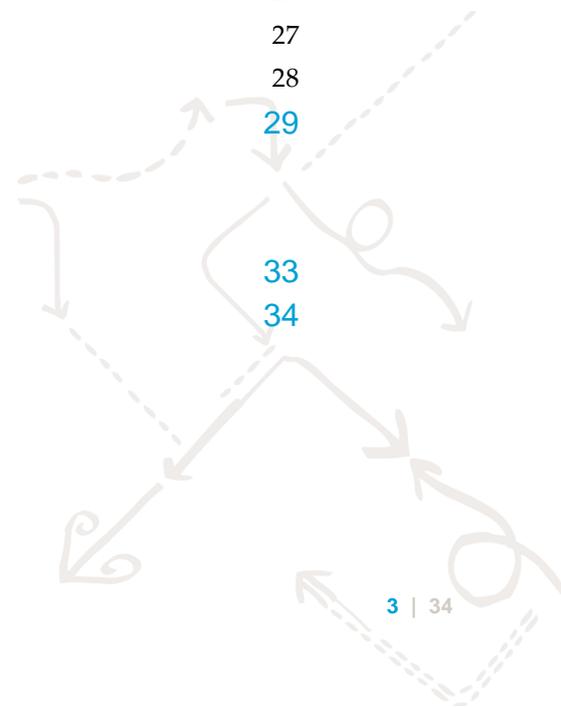
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## Executive Summary

This report presents the findings, conclusions, and recommendations of a review of progress with the Red Meat Profit Partnership carried out in July and August 2017 by Maven Consulting Ltd. Comments within the report reflect the position at that time. It should be noted that the programme has made significant progress subsequently.

The Red Meat Profit Partnership (RMPP) is a Primary Growth Partnership (PGP) programme agreed between six meat processors, two banks, Beef + Lamb NZ (B+LNZ) and the Ministry for Primary Industries (MPI). Building on the 2011 Red Meat Sector Strategy of B+LNZ and the Meat Industry Association, the 7-year programme commenced in November 2013 and seeks to improve the productivity and profitability of beef and sheep farmers around New Zealand.

The objective of the programme is to effect a change in the sector's culture that has traditionally focused on price towards a clearer emphasis on profit, acting as a catalyst for behaviour change both directly and indirectly, through various enabling initiatives. It should be noted that PGP programmes are founded on a principle that they should innovate with ideas that might not meet purely commercial investment thresholds so are expected to deliver a range of outcomes, and pose risk to the co-investors if the projects are not successful. This approach includes the concept of "failing fast" if ideas prove unfeasible.

Total programme funding is \$64 million of which MPI will fund up to \$32 million. The business case target, in terms of financial benefit to New Zealand, is an additional \$880 million of additional revenue and \$194 million on-farm profit annually by 2025.

The programme partners have requested an independent review of the progress made to date to understand how the programme is tracking towards the expected outputs and outcomes, and to seek suggestions for improvement. Maven Consulting Ltd (Maven) was engaged to conduct this independent review.

The scope of this review includes:

- Management, governance and reporting.
- Progress of projects within the programme to date.
- The set-up of extension activities.
- Programme risks.
- Other internal and external factors affecting the likelihood of success of the programme.

Outside the scope of this review are:

- Detailed examination of individual projects within the programme.
- The Supply Chain project as it has been curtailed.
- The rationale for PGP investment in the programme.
- Financial management - MPI conducted a financial management audit in 2016.
- The commercialisation or product development decisions made.

## Progress

The programme has made significant and widely-acknowledged progress in a number of areas, including:

- Achieving an unprecedented level of co-operation between sector participants that have traditionally operated as competitors.
- Traction and recognition of projects aimed at attracting people to the sector and enhancing the capability of farmers and farming families.
- Successful development of the electronic Animal Status Declaration (eASD) solution and the NZ Farm Assurance Programme, both of which have been welcomed by RMPP, farmers and others in the sector.
- Piloting an extension model to the extent that partners have been sufficiently confident to approve its roll-out nationally as the Action Network for RMPP.

The programme suffered from a slow start with a degree of confusion about the purpose of several of the projects; also planning could have been more thorough and effective. Concerns remain about the rate of progress in some areas, principally those related to data tools such as DataLinker, supporting infrastructure, and information which could be critical for the extension activities.

## Extension

The early stages of the extension pilot were evidently characterised by a similar degree of uncertainty about purpose and plans as the rest of the programme. Despite this leading to a slow start the pilot is generally agreed to have developed an effective extension model. The pilot will continue to June 2018, and generate useful feedback and performance metrics as the RMPP Action Network is rolled out more widely.

The coming months are critical to the programme, with the extension roll-out gearing up; this is the key thrust of the RMPP in spurring behaviour change by farmers to improve their profitability. There are concerns about the detail of the plans produced to date, the support infrastructure needed, the “buy-in” from some farm professionals, and the availability of suitably capable and “accredited” facilitators, as is to be expected with the stage and ambition of this aspect of the programme.

## Governance, Stakeholder Engagement & Programme Management

Maven met with various members of the Programme Steering Group (PSG) and other stakeholders (see Appendix Two for interviewees). The PSG evidently has a collegial relationship based on mutual respect, as does the broad Advisory Group (AG) that provides input to many of the projects that comprise the programme.

There are issues around:

- The clarity of the roles of PSG, the AG, and the Partner Advisory Committee (PAC) is perceived as poor.
- Similarly, the respective roles of governance and management have not been clear at times.
- Project management disciplines within RMPP need improvement to be more effective.
- Stakeholder engagement planning and execution, including with partners, farmers, and farm professionals, should be improved.

## Recommendations

A total of 29 recommendations are presented and contextualised in the respective sections of this review. The recommendations have been ranked as high, medium, or low priorities and the high priority ones are detailed below.

### Data and Integration:

- D1. Review DataLinker critically and evaluate its cost-benefit given the uncertainties around potential uptake. Decide in consultation with co-developer Dairy NZ whether to continue, modify or terminate the project.

### Extension:

- X4. Create better understanding between PSG (governance) and Management by creating more opportunities for PSG and the RMPP Action Network team to focus and engage on roll-out challenges.
- X5. The pilot has clarified extension expectations of the meat companies; more work is needed to determine how best to work with farm professionals effectively.
- X6. Produce a “road map” for the RMPP Action Network roll-out that integrates the various elements into a single picture to be used as a basis for monitoring and evaluation by Management and PSG.

### Governance:

- G1. Create a Responsibility, Accountability, Consultation, and Information (RACI) matrix to address the lack of clarity of roles between PSG, AG, PAC, and management.
- G2. Clarify frequency of PSG meetings as every two months (or quarterly).

### Stakeholder Engagement:

- S1. Ensure a full stakeholder map is complete and up to date with targeted communications messages for each group.
- S2. Develop a more comprehensive engagement strategy and plan for farm accountants and other professionals.

### Programme Management

- M1. Enhance programme management capability to drive project management disciplines, including effective risk management.
- M2. Conduct an independent capability review of RMPP staff to assess the skill mix relative to current needs, and to assess morale.

## 1.0 Introduction

### 1.1 The Primary Growth Partnership

The Ministry for Primary Industries (MPI) is committed to helping the primary sector as a whole to double the value of exports by 2025. To help achieve this, MPI is co-investing with primary sector industries to innovate through a number of Primary Growth Partnership (PGP) Programmes. The PGP programmes aim to drive substantial gains in economic growth and sustainability through shared investment in complementary and mutually supporting projects that work across the primary industry value chains.

A key requirement of PGP programmes is that they must deliver benefits to New Zealand through investments which are innovative and additional to existing initiatives and work programmes. Without PGP investment, these initiatives would be either unlikely to proceed or proceed on a much-reduced scale or pace.

The RMPP was initiated following the Red Meat Sector Strategy developed for B+LNZ and the Meat Industry Association (MIA).

### 1.2 Overview of the Red Meat Profit Partnership Programme

The RMPP programme commenced in November 2013, has been underway for 3.5 years, and is being carried out over a 7-year period. The programme is in place to address a wide range of factors impacting the productivity and profitability of the red meat sector in New Zealand.

These factors include:

- The availability of a sufficient number of participants in farming with the right skills.
- Use of technology to support greater efficiency and effectiveness.
- Positioning New Zealand's red meat sector effectively in world markets.

According to the original Business Case, the programme is expected to generate additional earnings of \$880 million per annum by 2025 and contribute, directly and indirectly, a net additional profit of \$1.44 billion over the period to 2025.

The RMPP brings together a mix of partners, collaborating for the benefit of the sector as a whole:

- B+LNZ
- Six meat processors (Alliance, ANZCO, Blue Sky, Greenlea, Progressive and Silver Fern Farms).
- Two banks (ANZ and Rabobank).
- MPI.

### 1.3 Independent Progress Review

A midterm independent progress review of the RMPP is required under the PGP programme agreement between the partners and MPI. Maven was engaged to undertake the review.

#### Objectives of the Review

The objective of the review is to provide an independent assessment of the progress made in the RMPP after 3.5 years, and to understand how the programme is tracking toward the expected outputs and outcomes. The review findings will help the partners to make informed decisions about the future direction of the programme.

#### Scope

The scope of this review includes:

- Management, governance and reporting.
- Programme resources.
- Progress of workstreams within the programme.
- Appropriateness of programme funding to achieve targets.
- Programme risks.
- Other internal and external factors affecting the likelihood of success of the programme.

#### Out of scope

We have not attempted to assess whether the programme will deliver its intended economic benefits of on-farm profit \$194 million per annum by 2025, as it is too early to reliably assess the likelihood of achieving the intended economic contribution.

Also out of scope are:

- Detailed examination of individual projects within the programme.
- The Supply Chain project as it has effectively been curtailed.
- The rationale for PGP investment in the programme.
- Financial management – MPI conducted a financial management audit in 2016.
- The commercialisation or product development decisions made.

### 1.4 Approach

The review was conducted in July and August 2017. Our approach is consistent with that taken by Maven for other PGP programme reviews, based on:

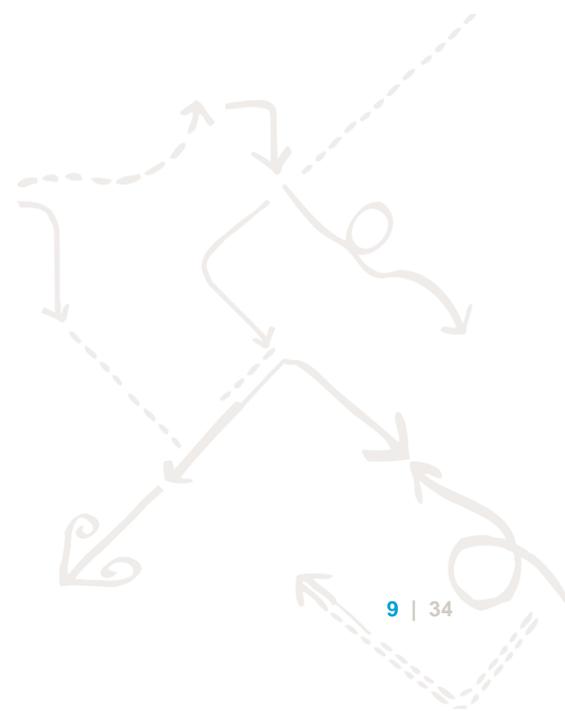
1. Desk-top review of progress reports, business plans and research reports.
2. Semi-structured interviews conducted with 29 stakeholders (see Appendix Two). All interviewees were provided with the range of topics for discussion ahead of the interview but not a structured set of questions. This allowed the interviews to be focused without restricting the interview to only those specific questions provided ahead of time. The specific focus of each interview was tailored depending on the perspective of the interviewee. Interview notes were taken and qualitatively analysed, with a focus on identifying trends and consistent themes arising from the interviews. No attempt was made to undertake quantitative analysis from the interviews.

3. Throughout the interviews, the reviewers sought to understand the issues impacting the programme to date, factors impacting ongoing performance, and opportunities for improvement. The review has generally avoided explicit breakdown of views by individuals interviewed (which were undertaken on a confidential basis). The qualitative analysis of both individual interviews and the full range of interviewees allowed clear and consistent themes to develop, which comprise much of the findings provided in this review. It should be noted that the views of RMPP staff compared with external stakeholders regarding the achievement of outcomes were consistent, which is reflected in the findings of this review.

The bulk of the review was conducted by Dr Nigel Bradly and Paul Jarah, while extension was assessed by Dr Neels Botha, an extension specialist from AgResearch.

Interviews were conducted with:

- Programme Steering Group (PSG) members.
- The chair of the PGP Investment Advisory Panel (IAP).
- Programme team staff.
- Advisory Group members.
- Two senior individuals, independent from RMPP and with considerable sector experience.



## 2.0 Summary of Findings

### 2.1 Outcomes and Objectives of the Programme

The programme is divided into multiple work streams incorporating a wide range of projects, with the long-term aim of sustainable productivity improvements in the sheep and beef sectors that deliver higher on-farm profitability. The original Outcome Logic Model for the programme was reformulated as the programme evolved and the current version is in Appendix One.

### 2.2 Overall Findings of Each Component of Work

A summary of the overall findings of each of the programme's projects and management is in the table following. The findings take a view across each workstream rather than assessing individual components within each workstream. The structure of the table reflects that of RMPP's Annual Plan.

The status legend for the table is as follows:

-  Poor progress / will not meet outcome / outcome should be revisited by PSG.
-  Adequate progress / outcome at some risk / needs improvement to meet outcome.
-  Good progress / likely to meet outcome.

## Summary of Review Findings

Area	Purpose	Reviewer Comments	Status*
<b>Programme Management</b>	Effective project management and governance	<p>Under-spend relative to original forecast reflects the slow start and some changes of priorities.</p> <p>Project management disciplines and quality of submissions to PSG need strengthening.</p> <p>Governance structure and membership needs review and clarification.</p> <p>Stakeholder engagement and reporting need strengthening.</p>	●
<b>People and Capability</b>	Attracting talent	Various programmes are being run under RMPP's aegis, with the inclusion of relevant content in school curricula a significant step towards achieving the purpose.	●
<b>People and Capability</b>	Capability development	The <i>Understanding Your Farming Business</i> programme run by the Agri-women's Development Trust has been well-received and is on track to reach 3,000 participants during the life of RMPP.	●
<b>Extension Pilot</b>	Leadership of behaviour change to improve farm productivity and profitability	Pilot has gone well and enabled RMPP to include the roll-out within the PGP programme.	●
<b>Extension Roll-out</b>	Leadership of behaviour change to improve farm productivity and profitability	<p>Roll-out commitment of the RMPP Action Network is well ahead of expectation, but there are issues with:</p> <ul style="list-style-type: none"> <li>• Availability of capable facilitators.</li> <li>• Evaluation of RMPP Action Network's financial performance.</li> </ul>	●

Area	Purpose	Reviewer Comments	Status*
		<ul style="list-style-type: none"> <li>Participation and commitment of some farm advisers and other farm professionals towards roll-out.</li> <li>Implementation plan including stakeholder engagement to effectively drive, monitor and manage roll out.</li> </ul>	
<b>Data and Integration</b>	Enabling infrastructure for behaviour change	DataLinker adoption is very slow and the project needs review in consultation with co-developer Dairy NZ.	
		Benchmarking/KPI development has been very slow.	
		eASD implementation imminent with strong sectoral support.	
<b>Farm Assurance Programme</b>	Support sector value proposition	Implementation imminent, with strong sectoral support.	
<b>Red Meat Story</b>	Articulate and market/sell sector value proposition	RMPP role is to provide supporting assurance data and material for what has evolved to be a B+LNZ project.	N/A
<b>Supply chain</b>	Identify off-farm opportunities for adding value to farmers	The material produced for this workstream was not reviewed, given its reported limitations and the decision already taken by RMPP not to progress the work further.	N/A

## 2.3 Progress against the Logic Model outcomes

A brief assessment of the progress and likely attainment of the short, medium, and long-term outcomes, as depicted in the Outcome Logic Model (Appendix One), is provided below.

### Progress against Logic Model outcomes

Logic Model Outcome	Reviewer Comments
Activities and Outputs 2013 – 2020	
Attracting top talent and upskilling farmers and professionals	<p>Significant progress has been made in upskilling farmers, especially through <i>Understanding Your Farming Business</i> for women. The impact of the schools-related curricula activities will take considerable time to flow through.</p> <p>There has been little activity to upskill rural professionals yet. Also, there are concerns whether RMPP is receiving due recognition for its programmes as opposed to the deliverers of the programmes (Young Farmers in particular).</p>
Standardisation of farm data and systems to simplify processes	Broad acceptance across the sector for eASD is a success for RMPP, though it is too early to measure the impact it will have on performance on farms.
Implementation of evidence-based effective extension system and activities	The extension pilot is well-regarded by participants and partners with publicly available success stories emerging. The decision to roll out the extension RMPP Action Network initiative was made well in advance of the original programme plan.
Development of national Farm Assurance Programme and evidence to support the Red Meat Story	Implementation of the Farm Assurance Programme is imminent and is widely recognised as a success for the sector, with only one processor partner not yet committed to its use.
Short-term Outcomes for Sector 2015-2020	
Consistent improvement of profitability and productivity across the sector <i>(A) Improved sector skills, career and business pathways</i>	People and capability workstream has achieved credibility and traction but it is too early to assess the likely impact to 2020.

Logic Model Outcome	Reviewer Comments
<p>Consistent improvement of profitability and productivity across the sector</p> <p><i>(B) Uptake and use of sector reporting and benchmarking to allow more informed farm and business management decisions</i></p>	<ul style="list-style-type: none"> <li>• Benchmarking has taken considerably longer than anticipated originally. Although delayed, it is now being implemented.</li> <li>• DataLinker's impact is unknown at this stage.</li> </ul>
<p>Enhanced sector appeal</p> <p><i>(A) Increased sector knowledge and beneficial practice change</i></p>	<ul style="list-style-type: none"> <li>• RMPP Action Network roll-out commitment is well ahead of expectation.</li> <li>• Risks that may impact its success need mitigation.</li> <li>• It is too early to judge this outcome.</li> </ul>
<p>Enhanced sector appeal</p> <p><i>(B) A more effective and efficient on-farm Farm Assurance programme supporting consistent messaging about the New Zealand sector</i></p>	<p>The NZ Farm Assurance Programme is in the process of implementation, and it is too early to judge the outcome.</p>
Medium-term Outcomes for Sector 2020-2024	
Sustainable red meat sector growth	It is too early to judge the outcome.
Long-term Outcomes for Sector 2025 onwards	
Sustainable productivity improvements in the sheep and beef sector are delivering higher on-farm productivity	It is too early to judge the outcome.

## 3.0 Findings: Programme Progress

### 3.1 General

Overall RMPP has been successful in establishing a good level of co-operation in the red meat sector, when this had proved challenging in the past due to the competitive nature of commercial businesses. This high-level of co-operation was acknowledged by all the participants during the review.

Also, generally recognised is the slow start to the programme from its inception in November 2013 to 2015. The slow start was generally attributed to two causes:

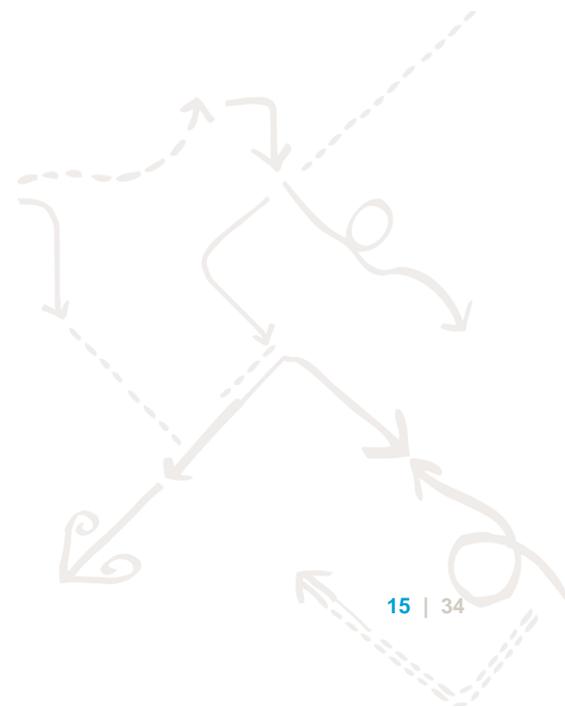
- Limited continuity of those involved in designing the programme once it was established. Lack of continuity appears to have led to a degree of confusion about the scope of work planned, e.g. initially whether the schools-related activities had a place in RMPP.
- Ineffective management at the time. This issue was addressed by the appointment of a new General Manager in 2015.

The slow start is reflected in the considerable under-spend to date with some \$20 million spent against an original forecast of almost \$45 million for the financial years 2013-2017. To 2020 the current forecast is to spend \$57 million of the \$64 million originally envisaged. However under-spends also resulted from informed changes to some original project scopes resulting in savings against original budgets.

The programme has now achieved traction in most workstreams. There are still concerns about the speed of progress in some workstreams; these will be further elaborated on in the relevant sections following.

Our findings are consistent with the feedback provided to the programme in 2016 by ThinkPlace. Overall, we see the mid-point of the programme as an opportunity for PSG and management to pause, reflect and re-set the programme as it transitions from a largely research and development focus to an action mode.

Within this section of the review we address the various RMPP workstreams, with the exception of Extension which was reviewed separately by a subject matter expert given its importance to the overall objectives of the programme.



## 3.2 People and capability

Within the broader range of RMPP initiatives the People and Capability workstream has its own wide range of activities:

- Attracting talent
- Agriculture in education
- Emerging leaders
- TeenAg clubs
- Rural Business Network Hubs
- Capability development
- Understanding your farming business for women
- (Possible) business skills programme for men
- Computing for farmers
- Pathways to farm ownership
- Facilitator training (for RMPP Action Network roll-out)
- (Possible) skills development for rural professionals.

We have not reviewed the content of the above activities; however, it is clear there is a high degree of confidence in the project manager and that positive results are being achieved, as indicated by PSG approval for doubling the number of primary schools to be included for farm visits from 50 to 100.

The actual impact the above activities will have on farm productivity and profitability will not be known for many years, with the possible exception of *Understanding Your Farming Business*. Measures of the number of participants are helpful but are of limited value in evaluating the success of RMPP. In the medium term the providers of the various initiatives (including NZ Young Farmers and the Agri-Women's Development Trust) need to be planning for 2021 and beyond when RMPP will not be available as a source of funds. It should be noted that *Understanding Your Farming Business* may have achieved sufficient reach by 2020 that it will not be needed subsequently. Some other programme activities should provide rapid results eg. Facilitator training, Business Skills for Partners.

### People and Capability Recommendations:

- P1. Drive engagement with programme providers to encourage them to develop plans for their funding post-RMPP by mid-2018.
- P2. Monitor and manage the workload in the People and Capability workstream so that resources are not over-stretched at a time when facilitator training for the RMPP Action Network is critical.
- P3. Reinforce RMPP's branding in programme delivery.

### 3.4 Data and integration

The Data and integration workstream also includes several diverse elements:

- eASD
- DataLinker
- Farm data standards
- Benchmarking
- Knowledge Hub
- Tools research with the Transforming the Dairy Value Chain PGP Programme
- Rapid group weighing
- Animal calculators.

This workstream generates mixed reactions with eASD recognised as a major achievement for RMPP.

Many interviewees had concerns about the purpose of the data and integration workstream and there is a perceived lack of clarity about the value proposition of various elements, particularly DataLinker.

A more general issue raised by several of those interviewed is whether RMPP is replicating the creation of software tools that have already been developed commercially.

#### eASD

The development of eASD by OSPRI is widely acknowledged as being a success for RMPP with user acceptance/receptivity high. It will contribute both to streamlining processes in the sector and to reinforcing RMPP's image and credibility. There is consensus that eASD can continue to operate after 2020 under OSPRI's aegis.

#### DataLinker

In the early stages of RMPP it was envisaged that a large database would be developed as an enabler for change in the sector. A sensible decision was taken to re-set the purpose as creating an information exchange platform. However, there are concerns that DataLinker has been developed with insufficient engagement with users leading to uncertainty about its value and purpose.

Two issues are evident at this point:

- Short term ability of processors to commit resource for implementation.
- Possibly low level of interest in using it on the part of farmers, especially those with limited use of technology.

The above issues reflect a general lack of clarity about the purpose and strategy of DataLinker and expectations not being well managed throughout its development. It has been seen primarily as an IT project rather than user-oriented. .

#### Benchmarking

Development of key performance indicators (KPIs), and appropriate benchmarks was originally seen as a potential "quick win" for RMPP. However, the benchmarks took longer to be

established than anticipated and there are still concerns and sensitivity about the suitability of some benchmarks within the sector. We have not reviewed the specific benchmarks proposed but RMPP needs to be sensitive to the possibility of resistance in the sector.

### Knowledge Hub

Part of support for the RMPP Action Network and the sector more broadly will be the Knowledge Hub as a repository of information and guidance. The Knowledge Hub is perceived as being late, causing frustration among interviewees and its potential users. There would be greater comfort if there were more RMPP Learning Modules on the Knowledge Hub at the time that this review was undertaken.

### Rapid group weighing

An early project to research possible means of weighing animals more quickly and easily made little progress and has proved technically too challenging. Action is underway to close the project. The project is still theoretically an “open” project and it is recommended that it be formally closed. The decision to stop the project is a positive example of PGP supporting innovation, enabling risks to be taken, and intervening when success becomes unlikely

#### Data and Integration Recommendations:

- D1 Review DataLinker critically and evaluate its cost-benefit analysis given the uncertainties around potential uptake. Decide in consultation with co-developer Dairy NZ whether to continue, modify or terminate the project.
- D2 Formally close Rapid Group Weighing.
- D3 Monitor technology developments in the sector, including Farmax and FarmIQ, relative to this workstream’s activity, and provide a short quarterly update on technology to partners as part of the stakeholder engagement strategy.
- D4. Review the proposed benchmarks urgently with B+LNZ and a small group of farm advisers to confirm relevancy and secure buy-in, revising if necessary.

## 3.5 Red Meat Story

The development of the Red Meat Story has been a challenge for RMPP, partly exacerbated by the project manager having a dual reporting line to B+LNZ as well as RMPP. Essentially RMPP’s role is now as a supplier of assurance evidence but in reality, B+LNZ “owns” the Red Meat Story and this needs to be explicit.

**Red Meat Story Recommendations:**

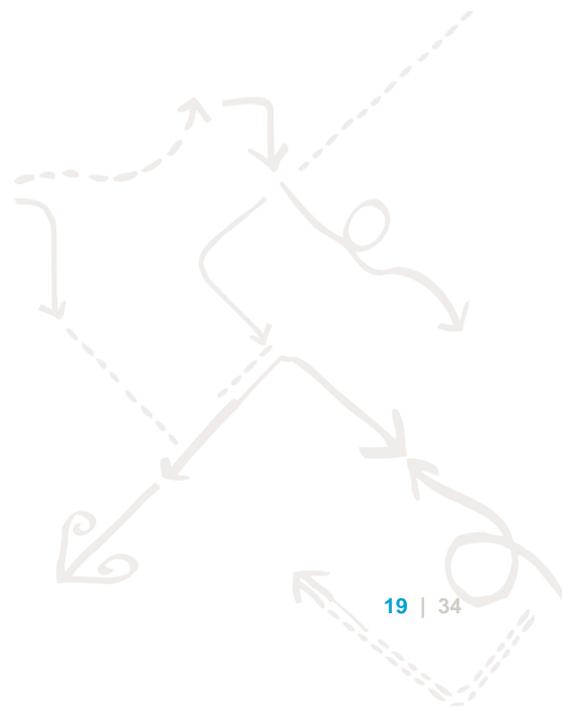
- R1. The evidence provision role will need a new home after RMPP. A decision as to where the role should sit, and the conclusion of the Red Meat Story as a project within RMPP should be brought forward.

### 3.6 Farm Assurance

The NZ Farm Assurance Programme is an unequivocal success for RMPP with all the meat processor partners (except Alliance) ready and willing to implement, as are other processors. This looks likely to become the industry standard and contribute to B+LNZ's Red Meat Story.

**Farm Assurance Recommendations:**

- F1 Formalise post-RMPP arrangements.



## 4.0 Findings: Extension

### 4.1 Introduction

This section briefly discusses the two stages of RMPP extension, namely the pilot phase, which is on track and nearing completion, and the roll-out (RMPP Action Network), which is being planned. It addresses the following for the pilot:

- Clarity of purpose/plan.
- Clarity of processes and responsibilities.
- Successes.
- Issues and risks.
- Suggestions/recommendations for change.

For the roll-out we focus on:

- Positive points.
- Challenges and risks.
- Status.
- Governance.

As governance encompasses the entire programme and is further addressed in section 5 of this report, in this section we provide a brief overview as far as governance relates to extension only.

### 4.2 Pilot

#### Clarity of purpose/plan

At the start of RMPP there was confusion about the purpose and plan of the pilots including the role of the meat processor partners. Clarifying the role of the processors in the extension pilots seems to have been “trial and error”, and was ultimately accomplished.

One project manager joined RMPP part way through the pilots, and another six months into the pilots. The pilots will finish on 30 June 2018. When they started there was some confusion about the plan, design, processes, and responsibilities. “It was fluid” at the start; meat companies were allowed flexibility and while it appeared messy at the time this is unsurprising due to it being the discovery phase out of which the pilots were developed.

The pilots needed focus particularly to meet the criteria of RMPP’s partnership agreement Schedule 5. A key milestone of the pilots was the acceptance of the sustainable extension model, which underpins planning and all activities. RMPP used UMR research and evaluation findings to develop a framework for the pilots.

Monitoring the dynamics of the pilots provided a clearer understanding of meat company goals and actions and how success is influenced. Extension is not “paint by numbers”. After two years the pilots delivered and validated an extension approach which will form the basis for roll-out through the RMPP Action Network.

## Clarity of processes and responsibilities

Processes and responsibilities were unclear at the start, and have improved over time. RMPP's structures and processes are somewhat convoluted and poorly understood by many of those interviewed. Change management and support for extension in the pilot has sometimes been regarded as lacking.

At the start there were many rules and lots of paperwork for meat companies. This changed over time, "*they (RMPP) gave up half-way through*" - now there's only three monthly reporting to RMPP and each partner company has its own approach to reporting internally. Flexibility is required and is good, but the processes and responsibilities for both pilot farmers and partners must be very clear.

## Successes

Evaluation has shown that, while expensive, the pilots were effective in terms of changing farmer behaviour and establishing extension processes – and overcame initial confusion over roles and responsibilities. For many farmers getting the fundamentals right makes a big difference. Sometimes small changes make a big difference, and lots of little successes have been reported.

The RMPP Action Network model (the small group extension network), is gaining momentum and rigour. Most small groups in the pilot are doing well, although it has taken two years to get to this point. This is not out of the ordinary for complex extension initiatives such as this. Overall the pilots have been quite effective. They have also validated that groups should include up to 15 or 16 individual people (generally from 7 to 9 farms business) in size to be effective.

Greenlea still prefer working with farmers one-on-one while ANZCO, Alliance and Progressive are comfortable working with groups of farmers. Silver Fern Farms are now using small groups more.

From the beginning meat companies did not talk to each other much. The Pilot Working Groups have since been effective in getting them talking and sharing – although the companies are generally represented at a lower level than is ideal.

There are cases where communication is good between meat companies at the ground level in the pilots. Some have employed staff just for RMPP and continue to do so for the roll-out phase. Where interaction with meat companies other than their own has taken place, farmers have really enjoyed that interaction.

The review of Extension showed the pilots were effective in terms of behaviour change and extension processes. Evidence of success in extension pilots include enhanced profitability at the farm level, productivity changes, and intangible impacts, e.g. improved farming family functioning, and better mental wellness. The *Dan Hodgen* case example at B+LNZ's Farmers Council is testament to the impact of the pilot on at least one farm (see quote).

## Issues and risks

The reported transaction costs of the extension pilots could perhaps have been lower, but it is clearer now what it takes to make extension effective. Change management was informal rather than intentional. There were cases where communications went out to “externals” before those involved had been informed.

No specific risks were identified for the pilot projects; however, for the remainder of their lifetime in RMPP it is important to keep evaluating and using data as evidence for going forward. This will be invaluable in constructing and refining a convincing value proposition for extension.

Not all meat companies see value in investing in additional resources internally for extension. This is a risk going forward.

While there is broad support for the RMPP Action Network extension roll-out amongst the partners and at PSG, RMPP project managers may not be fully informed of that support by the General Manager. This may be a reaction to perceived ambiguities around management and governance responsibilities.

## Status of the Pilot Projects

Focus area	Observations	Status
Clarity of purpose/plan	General confusion at the start, issues resolved.	●
Clarity of processes and responsibilities	General lack of clarity at the start, issues resolved.	●
Successes	Sufficient evidence of success on-farm, typified by “lots of little changes”.	●
Issues and risk	High transaction costs at start. Low risk for remaining 10 months; keep eye on the ball, keep on evaluating and using evidence.	●
Extension Pilots Overall	The overall assessment of the Extension Pilots indicates positive progress in tracking towards expected outputs and outcomes.	●

### Legend:

- Poor progress / will not meet outcome / outcome should be revisited
- Adequate progress / outcome at some risk / needs improvement to meet outcome
- Good progress / likely to meet outcome

**Suggestions/recommendations:**

- X1. Continue the pilot programme using the action learning process (the plan-do-evaluate-reflect cycle) to inform the broader roll-out of extension.
- X2. Encourage better communication flows in meat companies (beyond the two currently very engaged).

**4.3 Roll-out**

The national roll out of the RMPP Action Network involves the formation of farmer Action Groups with facilitation and start-up funding support to adopt productivity and profit enhancing farm system and practice change. The model developed and validated through RMPP's research and piloting initiatives is designed to give farmers the ability to use pooled funding to bring in advice and expertise as required to achieve objectives they agree on. RMPP partners are tasked to help connect farmers and help form groups in the first instance.

**Positive Points**

RMPP's original plan did not envisage roll-out of extension being carried out until post-programme completion.

There are good, strong links between RMPP and other PGP programmes with extension elements, for example Clearview Innovations (Ballance Agrinutrients), Pioneering to Precision (Ravensdown), Marbled Grass-Fed Beef (Firstlight), FarmIQ (Silver Fern Farms, Landcorp Farming, and Tru-Test) and Sheep-Horizon Three (Spring Sheep Dairy).

**Challenges and risks**

The RMPP Action Network roll-out is being developed and faces big challenges. The coming months are critical for the roll-out and interviewees are very aware of the challenges and risks, which are well accounted for in a roll-out scheduling policy and processes document.

The target of 3,000 farmers is ambitious given the short time frame and degree of buy-in at this stage

There is a pressing need for governance and management to concentrate together on extension to ensure that delays in implementation and that compromising delivery risks are mitigated. There is a general awareness that "infrastructure" support for the new Action Network is critical and not yet fully developed.

The Knowledge Hub may not have enough information for farmers and they may have a bad experience when they use it. Timing of delivery of other RMPP deliverables (i.e. computer support and Knowledge Hub) may impact on the RMPP Action Network roll-out.

Key risks for achieving the goal of sustainable extension are:

- Lack of a clear and appealing value proposition for extension stakeholders.
- Unproven willingness to pay for extension.
- Limited stakeholder buy-in.
- Continued perception by some meat companies that extension has low value.

Key challenges are:

- Reaching enough farmers to have the desired impact, as distinct from dealing with those in the pilot stage.
- B+LNZ understanding of extension is good at the senior level, but project managers perceive considerable variation in attitudes within B+LNZ.
- There are concerns on the ground about losing current pilot groups and farmers after all the efforts that have gone in.
- Answering key questions:
  - Will there be sufficient demand for setting up farmer groups?
  - How to connect with connectors?
  - Who is going to pay?
  - What are the leadership and governance needs post RMPP and potential funding mechanisms?
- A consolidated extension network which RMPP is rolling out in the form of the RMPP Action Network is significant, but participants' commitment may decline and result in falling back into old behaviours and fragmentation.
- Ensuring that consultants use the coaching approach. The consultants cannot be controlled as they run their own businesses and will integrate what they learn with current practice.
- The pilots have all been done with meat companies, with some farm consultants involved in several pilots. Farm consultants have not yet been engaged more broadly and it is not yet clear whether large numbers will engage with the RMPP Action Network.

### Status of the roll-out

Focus area	Observations	Status
Awareness of the risks and challenges facing the roll-out	Good.	
Funding available	Good.	
Support for roll-out by governance structure	This can be improved through closer interaction between the RMPP Action Network project manager and PSG.	
Buy-in from stakeholders	Meat companies and rural professionals may be insufficiently on-board.	
Clear roll-out strategy and plans	Still under development; lacks integration.	
Overall status of roll-out	Building blocks in place but significant risks exist. More mitigation is required.	

### Governance

The relationship between PSG and the extension team shows tension with concerns on both sides. It is vital that this is resolved quickly as the Action Network roll-out is central to RMPP and critical to its future success. In particular the extent of management decision-making and PSG governance accountabilities need to be agreed to provide a “strategic envelope” as the roll-out progresses.

It should be noted that PSG includes a number of members with a good depth of knowledge about extension. The principal concern has been fulfilling the pressing need for more effective communication between Management and in particular the RMPP Action Network project manager, and PSG. The communication gap needs to be addressed to mitigate risks and improve the likelihood of a robust roll-out.

#### Status of Governance (from an extension perspective)

Focus area	Observations	Status
Providing clear and timely decisions	Insufficient and requires improvement in PSG and Management effectiveness.	●
Supporting extension	More active focus and engagement with Management is needed by PSG to support the roll-out.	●

#### Suggestions/recommendations:

- X3. Groups should include up to 15 or 16 individual people (generally from 7 to 9 farm businesses); within that envelope there needs to be flexibility in the number of farm operations to take account of, for example, large iwi operations sending multiple representatives.
- X4. Create better understanding between PSG (governance) and Management by creating more opportunities for PSG and the RMPP Action Network team to focus and engage on roll-out challenges.
- X5. The pilot has clarified extension expectations of the meat companies; more work is needed to determine how best to work with farm professionals effectively.
- X6. Produce a “road map” for the RMPP Action Network roll-out that integrates the various elements into a single picture to be used as a basis for monitoring and evaluation by Management and PSG.

## 5.0 Findings: Governance, Stakeholder Engagement & Programme Management

### 5.1 Governance

Although there is a high degree of mutual respect at PSG, and at the main Advisory Group, there are issues with governance for RMPP.

This is partly due to the complex nature of the partnership but also to a perceived lack of clarity in the structure and purpose of the PSG, the Partner Advisory Committee (PAC), and the Advisory Group (AG). The fact that PSG operates as both a steering group and (without MPI) as a board of directors for RMPP Limited Partnership Ltd, the commercial entity set up to manage the programme, is not an issue for PSG itself but seems to have made it difficult for some others to understand its role.

Management solicit views from the AG then submit recommendations to PSG. PSG members have no awareness of what the AG advised and neither the PSG nor the AG sees the minutes of the other, so the AG has no direct knowledge of the decisions taken by PSG.

Differing views have been expressed as to the planned interval between PSG and AG meetings, sometimes leading to papers only being available at the last minute.

Management sometimes seem to operate in the belief that partner appointees at both AG and PSG have the power to commit their organisations to decisions taken or recommendations made. In practice PSG members are acting as a board of directors– partners still need to follow their own internal processes for approvals when these are needed.

Related to this disconnect is whether the strategic context for RMPP's activities is sufficiently clearly articulated as an "envelope" within which RMPP can operate – the Annual Plan is essentially a re-working of the previous version rather than an explicit setting of strategy for the year ahead. This is especially significant given the age of the Red Meat Sector Strategy (2009) and the emergence of new issues for the sector (e.g. water quality and "artificial meat") as well as changes in the technology available to the sector.

While the quality and capability of the PSG members is widely acknowledged, several respondents queried whether its size and membership are appropriate. Some interviewees also queried the makeup of the group, with four independent members and only one appointee each for the partner meat companies (one appointee) and banks (one appointee); however, this is consistent with the governance structure outlined in the Constitution.

With the emphasis moving from R&D to action, now is a good time to rethink the mix of skills appropriate for the remainder of the RMPP's life.

#### Governance Recommendations:

- G1. Create a Responsibility, Accountability, Consultation, and Information (RACI) matrix to address the lack of clarity of roles between PSG, AG, PAC, and management.
- G2. Clarify frequency of PSG meetings as every two months (or quarterly).

- G3. Replace the existing AG with an Action Network Advisory Group, submitting recommendations to management and informing PSG when appropriate.
- G4. Management should provide monthly reports to PSG if PSG meetings are held quarterly.
- G5. Management papers submitted to PSG need more clarity on financial issues including cost-benefit analysis.
- G6. Management to establish an effective “gateway” based process for assessing potential initiatives for PSG.
- G7. PSG to review strategy at least annually.

In addressing these governance recommendations consideration should be given to the possibility of “closing” all the current advisory groups and moving to a model with:

- PSG in its current role, whether membership changes are made or not.
- An advisory group to engage with the project managers for the Action Network roll-out, with a reporting line to PSG
- Governance bodies for NZ Farm Assurance and eASD.

## 5.2 Stakeholder Engagement

While the extension roll-out plan includes stakeholder engagement, the lack of a stakeholder map across the whole of RMPP is a significant omission given the complexity of the partnership, and the wide and varied external stakeholder landscape.

Within RMPP many partners feel that communication by management is poor, while management has concerns that communication within partners about RMPP is too limited. Externally, the key “customers” for RMPP’s offerings are farmers and the professionals who work with them. It is surprising that very little attention was given to the latter’s views until about a year ago (with the exception of the extension pilot). It is unclear who owns the stakeholder engagement issue within RMPP other than the General Manager, who has a wide range of other demands on his time.

### Stakeholder Engagement Recommendations:

- S1. Ensure a full stakeholder map is complete and up to date with targeted communications messages for each group.
- S2. Develop a more comprehensive engagement strategy and plan for farm accountants and other professionals.
- S3. Develop an engagement strategy and plan for the regions, to include RMPP partners and relevant government entities.
- S4. Partners should receive a clear, concise monthly report which they can circulate internally, to match normal reporting cycles.

## 5.3 Programme Management

PSG and management all recognise that the first eighteen months or so of RMPP were not well planned or managed, and that considerable improvements have been made subsequently. There are still concerns whether the programme team has the mix of skills needed as the emphasis shifts from “research” to “action”.

### Programme Funding

The programme is well funded and there is clear tracking of progress against budget, with no issues reported by interviewees. Any variances have been explained through status reports and agreed by the PSG. Contributions by partners “in kind” are clearly hard to track and may well be under-reported, although interviewees did not regard this as a major issue.

### Programme Plan

Schedule 5 to the original RMPP partnership agreement has formed the basis for Annual Plans and has been converted into a Gantt chart; there is little evidence that this is being used as a working tool. The latest version of Schedule 5 includes a large number of activities with “End Date” of September 2020 which seems to relate more to the end of RMPP than the specific activity. The latest version of the draft Annual Plan (for 2017/2018) is an improvement although would be more easily understood with the inclusion of a “roadmap” for the programme as a whole.

### Progress Reports

Quarterly progress reports are prepared for PSG in line with MPI requirements. Reports to PSG include a “traffic light” Progress Tracker although the value is questionable. PSG members have expressed concerns about the quality of management papers and reports at times.

### Risk Management

There is a risk register in place though its use has been sporadic at best. For example, no entries were made between July 2016 and May 2017, while some current risks (e.g. availability of enough capable facilitators, and the DataLinker uptake problem, etc.) have not been added.

### Change management

Changes that have been made have been agreed with the PSG and appear to follow good practice.

#### Programme Management Recommendations:

- M1. Enhance programme management capability to drive project management disciplines, including effective risk management.
- M2. Conduct an independent capability review of RMPP staff to assess the skill mix relative to current needs, and to assess morale.
- M3. Improve the NZIER-designed dashboard to address programme progress more effectively.

## 6.0 Conclusions

While it is the responsibility of this review to assess the programme's progress it also has an important role to identify issues and recommend opportunities for improvement. It is important to recognise and celebrate a number of significant achievements in the first half of RMPP's life:

- 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 eASD.
- Securing broad industry commitment to the NZ Farm Assurance Programme.

There are opportunities to strengthen RMPP through:

- Clarification of governance accountabilities and processes.
- Greater focus on engagement with partners, farmers, farm professionals and other stakeholders.
- More emphasis on the strategic context for RMPP and keeping this under review in response to external changes.
- Tighter project management disciplines.

Specifically, we make the following recommendations, prioritised as high, medium, or low:

### High priority recommendations

#### Data and Integration

- D1. Review DataLinker critically and evaluate its cost-benefit analysis given the uncertainties around potential uptake. Decide in consultation with co-developer Dairy NZ whether to continue, modify or terminate the project.

#### Extension

- X4. Create better understanding between PSG (governance) and Management by creating more opportunities for PSG and the RMPP Action Network team to focus and engage on roll-out challenges.
- X5. The pilot has clarified extension expectations of the meat companies; more work is needed to determine how best to work with farm professionals effectively.
- X6. Produce a "road map" for the Action Network roll-out that integrates the various elements into a single picture as a basis for monitoring and evaluation by Management and PSG.

#### Governance

- G1. Create a Responsibility, Accountability, Consultation, and Information (RACI) matrix to address the lack of clarity of roles between PSG, AG, PAC, and management.

- G2. Clarify frequency of PSG meetings as every two months (or quarterly).

#### Stakeholder Engagement

- S1. Ensure a full stakeholder map is complete and up to date with targeted communications messages for each group.
- S2. Develop a more comprehensive engagement strategy and plan for farm accountants and other professionals.

#### Programme Management

- M1. Enhance programme management capability to drive project management disciplines, including effective risk management.
- M2. Conduct an independent capability review of RMPP staff to assess the skill mix relative to current needs, and to assess morale.

### Medium priority recommendations

#### Data and Integration

- D4. Review the proposed benchmarks urgently with B+LNZ and a small group of farm advisers to confirm relevancy and secure buy-in, revising if necessary.

#### Extension

- X3. Groups should include up to 15 or 16 individual people (generally from 7 to 9 farm businesses); within that envelope there needs to be flexibility in the number of farm operations to take account of, for example, large iwi operations sending multiple representatives.

#### Governance

- G3. Replace the existing AG with an Action Network Advisory Group, submitting recommendations to management and informing PSG when appropriate.
- G4. Management should provide monthly reports to PSG if PSG meetings are held quarterly.
- G5. Management papers submitted to PSG need more clarity on financial issues including cost-benefit analysis.
- G7. PSG to review strategy at least annually.

#### Stakeholder Engagement

- S3. Develop an engagement strategy and plan for the regions, to include RMPP partners and relevant government entities.
- S4. Partners should receive a clear, concise monthly report which they can circulate internally, to match normal reporting cycle.

### Programme Management

- M3. Improve the NZIER-designed dashboard to address programme progress more effectively.

### Lower priority recommendations

#### People and Capability

- P1. Drive engagement with programme providers to encourage them to develop plans for their funding post-RMPP by mid-2018.
- P2. Monitor and manage the workload in the People and Capability workstream so that resources are not over-stretched at a time when facilitator training for the RMPP Action Network is critical.
- P3. Reinforce RMPP's branding in programme delivery.

#### Data and Integration

- D2. Formally close Rapid Group Weighing.
- D3. Monitor technology developments in the sector, including Farmax and FarmIQ, relative to this workstream's activity, and provide a short quarterly update on technology to partners as part of the stakeholder engagement strategy.

#### Red Meat Story

- R1. The evidence provision role will need a new home after RMPP. A decision as to where the role should sit, and the conclusion of the Red Meat Story as a project within RMPP should be brought forward.

#### Farm Assurance

- F1. Formalise post-RMPP arrangements.

#### Extension

- X1. Continue the pilot programme using the action learning process (the plan-do-evaluate-reflect cycle) to inform the broader roll-out of extension.
- X2. Encourage better communication flows in meat companies (beyond the two currently very engaged).

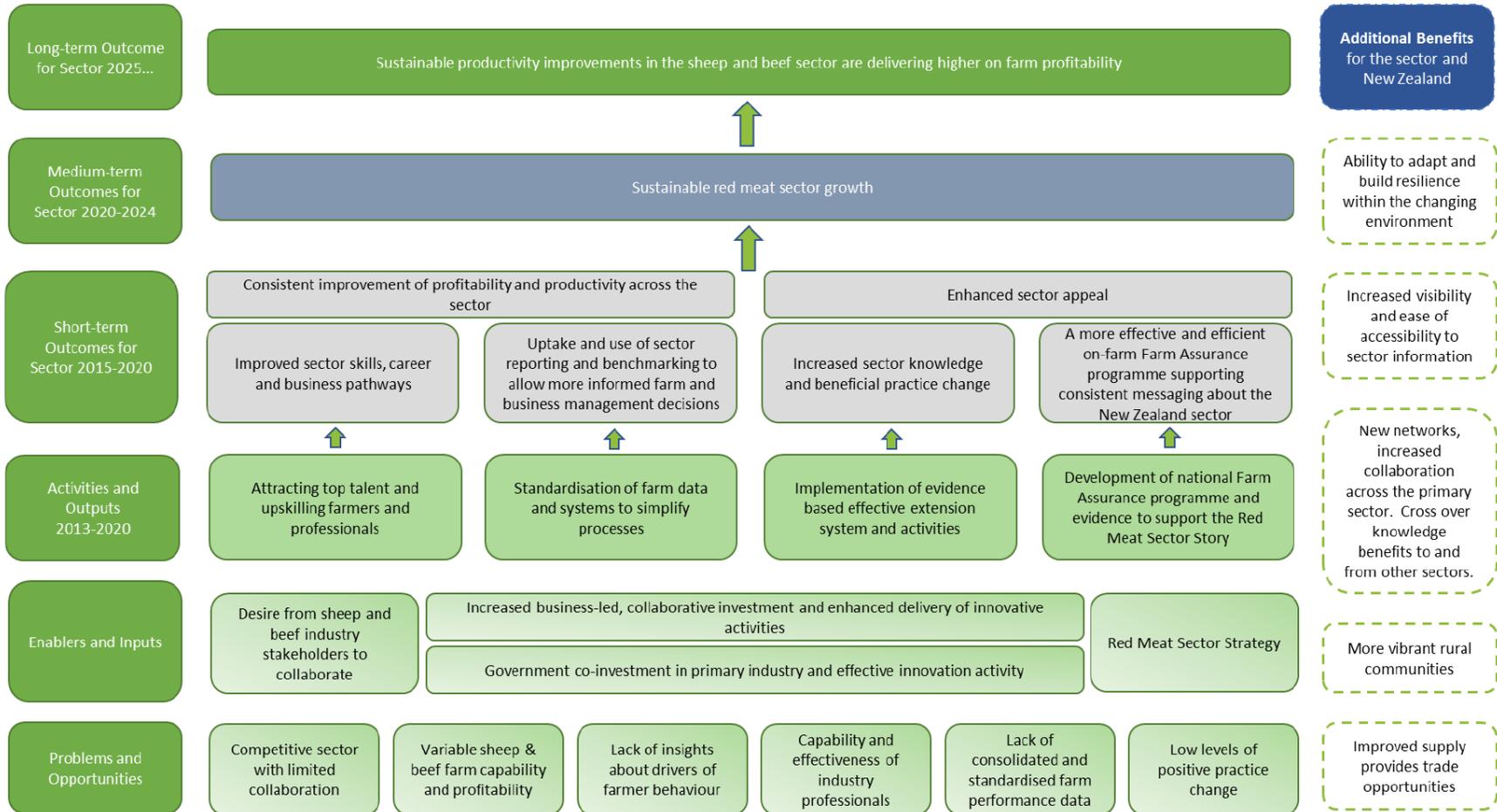
#### Governance

- G6. Management to establish an effective "gateway" based process for assessing potential initiatives for PSG.

*We have not independently verified the accuracy of information provided to us, and have carried out a review rather than any form of audit. Accordingly, we express no opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied. The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise. The statements and opinions expressed in this report are based on information available as at the date of the report.*

*We reserve the right, but will be under no obligation to review or amend our report, if any additional information, which was in existence on the date of this report, was not brought to our attention or subsequently comes to light.*

# Appendix One: Outcome Logic Model



## Appendix Two: List of Interviewees

Name, Organisation, Role
Malcolm Bailey RMPP Independent Chair
Michael Smith RMPP General Manager
Diane Falconer RMPP Project Manager – People and Capability
Mark Johnstone RMPP Project Manager – Data and Integration
Denise Bewsell RMPP Project Manager – Extension Pilot
Brendon Patchett RMPP Project Manager – Extension Roll-out
Richard Fitzgerald RMPP Strategy and Integration Manager
Natalie Bowie RMPP Communication Manager
Megan Mounsey-Smith RMPP Programme Co-ordinator
Graham Brown PSG Independent member (bank appointee)
Alan McDermott PSG member (processing appointee)
Jane Smith PSG Independent member (Farmer))
Wayne Allan PSG Independent member (Farm consultant)
Sam McIvor PSG B+LNZ member
George Tatham PSG B+LNZ member
Justine Gilliland PSG MPI member
Guy Tapley PSG MPI member
Martin Coup RMPP Advisory Group member (Farmer)
John Bennett RMPP PAC member (ANZ)
Rua Crofskey RMPP PAC member (Rabobank)
Greg McSkimming RMPP PAC member (Silver Fern Farms)
Danny Hailes RMPP PAC member (Alliance)
Julie McDade RMPP AG member (Greenlea)
Craig Hickson RMPP PAC member (Progressive)
John Parker, IAP chair
James Parsons, Chair B+LNZ
Sam Lewis, Chair AFFCO
Chris Kelly, Independent Director
Julia Galwey, RMPP Pilot Working Group, (ANZCO Foods)