

Northland Potential for primary industry growth



Ministry for Primary Industries
Manatū Ahu Matua





Northland's potential

This booklet signals the first of many conversations between Government and the regional community to realise the potential of New Zealand regions.

For New Zealand to build a more productive and competitive economy, we need all our regions to achieve their potential. That is why the Ministry for Primary Industries (MPI) is leading a staged programme across our regions and different sectors to support economic growth.

This programme is focused on building strong collaborative relationships between Government and regional communities to support regional primary sector growth.

We have chosen to start with Northland because we believe it has significant potential. It enjoys a good climate, has comparative advantages in tradable sectors, including agriculture, horticulture, forestry and aquaculture, and tourism.

This booklet highlights Northland's potential, provides examples, and sets out the next steps.

What success looks like

By 2025 there would be an increase in:

1. Household income (2012 annual average household income \$60,000).
2. Employment (2012 unemployment 9.5%).
3. Primary industry jobs (4,450 in 2012).
4. Qualifications of school leavers (in 2011, 68% of 18 year-olds attained NCEA L2 or higher).
5. Value of exports out of Northport (\$766 million in 2012).

Source: MBIE (2013), *Regional Economic Activity Report*.

How we will get there

Growth opportunities

Innovation

Development of a new finfish industry in Northland. Northland Inc has aspirations of a \$300 million per annum industry employing 700 people by 2030 (*Growing Northland Aquaculture – Development Plan November 2012*, by Northland Aquaculture Development Group – Northland Inc.)

Optimised land use

Optimising 116,000 hectares of Māori freehold land in Northland over the next 10 years. Potential:

- \$714 million gross output;
- \$331 million gross contribution to GDP; and
- 331 FTE jobs created.

(*Growing the Productive Base of Māori Freehold Land* (2013), prepared for Ministry for Primary Industries by PricewaterhouseCoopers.)

Productivity

On-farm productivity improvements (moving production of bottom 50% of Northland farmers to the median). Estimated additional value of \$50 million per annum (MPI Farm Monitoring data 2010–2012.)



Māori Agribusiness Programme

MPI has a number of initiatives underway which demonstrate ways in which Government can partner successfully with Māori to grow their primary sector assets.

Māori own significant primary sector assets. In Northland, MPI is working with two Māori-owned farms. One group is looking to convert 270 hectares of Māori land from grazing to a higher productivity dairy farm. The second project involves 2480 hectares of dairy and beef farmland which has been transferred from Crown to Iwi ownership. MPI has facilitated the involvement of key partners in these projects including Landcorp, DairyNZ and Te Tumu Paeroa.

The Mid North community, in partnership with MPI and education providers, has also started work to establish a Northland Training Hub. The Hub aims to grow a skilled local labour force to enhance the success of Northland's key industries: agriculture, forestry, fishing, horticulture, and tourism.

These initiatives can provide lessons to inform Government's wider engagement with the primary industries to achieve regional economic growth.

Case study: Northland Māori Agribusiness

Objective: Optimising use of Māori freehold land

1. Utilising existing relationships between MPI and Māori to collaboratively enable growth of primary sector assets.

2. Stimulating opportunities for Māori landowners to improve productivity through optimising land use.

3. Providing access to expert information, advice, facilitation and industry partners through relationship with MPI.

4. Converting land to optimal land use as agreed by Māori landowners.

5. Entering commercial venture between Māori landowners and a Māori land business development organisation based on agreed value share and capability building.

Long-term vision

Use farm as a nucleus to increase productivity through management arrangements with surrounding Māori freehold blocks and/or iwi land blocks.

Funding Programmes

MPI has the Sustainable Farming Fund and Primary Growth Partnerships to support the development of our primary sectors.

Sustainable Farming Fund

The Sustainable Farming Fund (SFF) invests up to \$8 million a year in farmer, grower and forester led projects.

Examples of recent SFF grants in Northland

- \$452,000 to assist the aquaculture industry to overcome the devastating *Ostreid* herpes virus and improve the quality of mussel spat harvested from the Far North.
- \$359,000 to help build the business case for economic resilience through new forest scenarios on Māori land.
- \$120,000 on best management of Northland's pastures, \$150,000 on uncovered stand-off facility design and management and \$145,000 on improving beef cattle growth rates.
- \$42,000 toward understanding the market potential for our Totara resource and developing management techniques.

For more information about SFF visit: www.mpi.govt.nz/sff



Primary Growth Partnership

The Primary Growth Partnership (PGP) programme encourages new ideas from industry, and businesses.

Example of projects

- **The FarmIQ programme.** This programme helps farmer suppliers understand what customers want and how to meet demand. The co-investors include Silver Fern Farms, Landcorp and Tru-Test.
- **Steepland harvesting programme.** This programme is about innovative log harvesting technologies to improve productivity and worker safety in steepland harvesting in New Zealand. The co-investor in this programme is Future Forests Research.
- **Precision Seafood Harvesting programme.** The programme has developed a prototype harvesting system to target specific species and fish size. The co-investors in this programme are Aotearoa Fisheries, Sanford and the Sealord Group.

For more information about PGP visit: www.mpi.govt.nz/pgp



Next steps

As stated, this booklet has been produced to start the conversation with the Northland community about a programme to realise its potential. The Government recognises this requires a partnership and joined-up approach between Government and the local community. The next steps will focus on:

Partnerships with regions

- Work to formalise our partnership with the Northland Economic Advisory Group (NEAG) and convene a primary sector hui of key partners.
- Continuing to engage and develop relationships with key partners (Iwi, Northland businesses, Training and Research institutes, Northland District and Regional Council, Industry Organisations, and other government agencies) to identify common objectives for regional primary sector growth.

Collaborative Action

- Identify opportunities.
- Prioritise and agree actions.
- Identify how existing funding programmes can be leveraged.
- Participate in projects and/or support projects to ensure successful outcomes.

Support

The Ministry for Primary Industries can support with:

- Resources.
- Expertise.
- Information.
- Working across Government agencies.

Ministry for Primary Industries

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New Zealand Government