

Land use flexibility

Backing Kiwi farmers and growers
to feed the world

New Zealand Government
Te Kāwanatanga o Aotearoa

MPI **MINISTRY FOR PRIMARY INDUSTRIES**
MANATŪ AHU MATUA



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Ministry for Primary Industries
Manatū Ahu Matua





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The Government has an ambitious plan to grow our economy, and that starts with backing the productive sectors that underpin New Zealand's prosperity.

New Zealand's food and fibre sector has long been the engine room of our economy – built by generations of farmers, growers, foresters, fishers, processors, and rural communities whose hard work has earned us a reputation for producing some of the best products in the world.

The Government is backing the sector in practical ways: reducing unnecessary regulatory burden, supporting the uptake of new tools and technologies, growing access to international markets through new trade agreements, and helping build the confidence businesses need to invest for the future. We are focused on supporting farmers, fishers and growers to produce more value from what they do best, with greater efficiency and profitability.

The partnerships between government and industry detailed in this report are an ambitious push to lift productivity levels.

The current fiscal environment demands that every commitment in this suite of projects must earn its place – delivering real value to farmers, fishers and growers, the wider industry, to rural communities, and to the New Zealand economy.

This Government knows that by partnering with the food and fibre sector we will grow the economy, strengthen regional resilience and create more opportunities for the next generation of New Zealanders.

Rt Hon Christopher Luxon
Prime Minister



The Government is laser-focused on strengthening trade relationships and growing New Zealand's exports. This means working hard to create new opportunities and to meet the demand for Kiwi food and fibre businesses in high-value markets.

There is growing demand around the world for high-value, safe and sustainably produced food and fibre. The National-led Government supports hardworking Kiwi farmers and growers service that demand with strong trading relationships, through market access arrangements and recent Free Trade Agreements with the United Kingdom, European Union, UAE, and India.

The food and fibre sector is the engine room of New Zealand's economy, delivering more than 80 percent of our exports, and this Government supports its success.

That's why we have partnered on a portfolio of projects worth \$140 million to back Kiwi farmers and growers to achieve a step-change in on-farm productivity and prosperity, through innovation, automation and greater land use flexibility.

Farmers and growers should be able to choose what they do behind the farmgate if they can show it will have a lower or no greater environmental impact.

Their choices will drive innovation and deliver economic and environmental gains for all New Zealanders.

The Government is building the foundations to unlock greater land use flexibility through a range of regulatory reforms that give landowners the ability to adapt or modify their land use and by investing significantly in innovative technology to drive sustainability and value.

This report presents six projects, co-funded by industry, that show how land use flexibility can work in practice. Land use flexibility is prosperity through productivity.

Hon Todd McClay
Minister of Agriculture



The food and fibre sector powers New Zealand's economy

Over \$60 billion in
export revenue



\$60_b+

More than 82 percent
of goods exported in the
year to 31 March 2026



82%+

More than 15 percent
of GDP contribution



15%+

More than 12 percent
of employment



12%+

Refer to MPI's Situation and Outlook for Primary Industries (SOPi) for sources and notes.



1 Backing Kiwi farmers and growers to feed the world

This report showcases a portfolio of projects to back Kiwi farmers and growers to achieve a step change in on-farm productivity and prosperity through innovation, automation, and greater land use flexibility. Generations of New Zealand farmers, growers, processors, and other producers have built New Zealand's reputation as a trusted exporter of high-quality, sustainable food and fibre products. Today, the food and fibre sector remains a cornerstone of the New Zealand economy and continues to perform strongly despite an increasingly complex and uncertain global trade environment.

New Zealand is well positioned to respond to growing global demand for premium food and fibre products. Global population growth is forecast to reach 8.6 billion by 2030 and 9.7 billion by 2050, while rising incomes – particularly across fast-developing economies – are driving increasing demand for higher-value food products, including premium animal proteins and sustainably produced goods.

In many high-growth markets, domestic food production is not expected to keep pace with demand, creating significant export opportunities for efficient and trusted food-producing nations like New Zealand.

As one of the world's most export-oriented food producers, New Zealand exports the vast majority of its food production. We have also built enduring trading relationships supported by recent market access arrangements and free trade agreements, including with the United Kingdom (UK), European Union (EU), United Arab Emirates, Gulf Cooperation Council, and India, to drive demand for New Zealand products and support export growth across the food and fibre sector. Since the NZ-UK Free Trade Agreement came into force on 31 May 2023, food and fibre export revenue to the UK increased 69 percent to \$1.7 billion in the year to 31 March 2026, up from \$1.0 billion in the year to 31 May 2023. Since the NZ-EU Free Trade Agreement came into force on 1 May 2024, food and fibre export revenue to the EU increased 56 percent to \$5.1 billion in the year to 31 March 2026, up from \$3.3 billion in the year to 30 April 2024. These agreements are helping to strengthen New Zealand's export performance and position the sector to capture growing global demand for high-quality food and fibre products.

The sector continues to produce, process, and export high-quality products despite a shifting and often turbulent global trading environment. For example, conflict in the Middle East is disrupting global food and fibre supply chains and driving up the costs of fuel, fertiliser, and freight. While New Zealand farmers are not immune to these pressures,

this disruption may highlight New Zealand's comparative and competitive advantages, particularly if other producers rationalise their production. Greater land use flexibility can help New Zealand's farmers and growers respond to market signals and better leverage changing global demand.

To maximise these opportunities, New Zealand needs to make the most productive and efficient use of its land and natural resources. Land use flexibility will play an important role in enabling producers to respond to changing market signals, evolving consumer preferences, technological advancements, environmental requirements, and new information. This adaptability has long underpinned the sector's resilience and will become increasingly important as global demand and trade dynamics continue to evolve.

The ability of landowners to shift land to higher-value uses has historically supported productivity growth, innovation, and export competitiveness across the food and fibre sector. Early entrepreneurial Māori businesses used trading vessels to export food and resources to Sydney in the 19th century, while the first shipment of frozen lamb, mutton, and butter exported to Britain in 1882 demonstrated New Zealand's ability to harness innovation to access new international markets. Today, New Zealand is a major exporter

of dairy, red meat, fruit, wine, seafood, wood, and other high-quality primary products.

New farm systems, advances in technology and science, and increasing knowledge across the sector can now unlock productivity, profitability and sustainability while strengthening the sector's ability to adapt to changing market and regulatory conditions. This will allow us to increase productivity and ensure we deliver on our environmental outcomes, particularly our freshwater and climate change goals.

Opportunities such as the development of whenua Māori (Māori land), innovative timber processing, and open ocean aquaculture within New Zealand's Exclusive Economic Zone demonstrate the potential to unlock new revenue streams and respond to rising global demand for high-quality sustainable products.

Increasing land use flexibility presents a significant opportunity to strengthen New Zealand's long-term export competitiveness and deliver prosperity through productivity.

Greater flexibility can support more resilient and diversified land use systems, enable producers to respond more effectively to emerging global opportunities, and help maximise the value generated from New Zealand's natural resources.

Land use flexibility

A hallmark of the New Zealand food and fibre sector's success

Land use flexibility is about the freedom and ability of landowners to make decisions on adapting or modifying how their land is used. It has been a hallmark of New Zealand's success in food and fibre production for many generations and will continue to play a critical role in enabling the sector to respond to both global and domestic signals, including changing consumer demand, evolving trade opportunities, and increasing competition in international markets.

While some level of land use flexibility is occurring, recent settings mean that farmers and growers have been constrained in their ability to unlock the full potential of their land. More flexible land use that harmonises the potential economic gains with care for the environment could boost productivity, profitability, sustainability, and grow the economy.

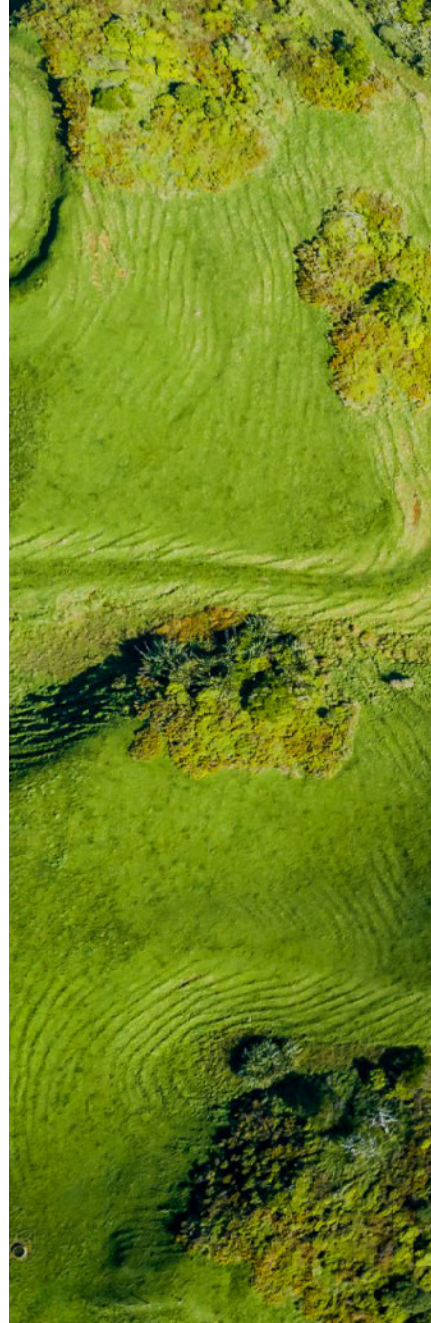
The Government's role in supporting land use flexibility is two-fold:

- Ensuring it is prioritised and enabled by New Zealand's regulatory system.
- Partnering with sectors to show what is possible through the adoption of the latest technology and farm practices, supporting more adaptive and resilient land use decisions.

This report provides a number of case studies of current land use flexibility in action.

Food and fibre sector companies are developing a programme of new commercial projects to demonstrate greater land use flexibility and tap into opportunities from the ocean.

The Government has committed \$58 million alongside the sector, bringing total investment in these new projects to more than \$140 million. You will find more information on these projects in this report.





"As a farmer-owned co-operative, we understand the power of partnership and working together. Fonterra is focused on delivering the strongest possible returns for our farmer owners while continuing to progress our sustainability commitments. Working with government and sector partners will boost the great work Fonterra shareholders are already undertaking to minimise their environmental footprint while also unlocking the productivity benefits that will come from being more resource efficient."

Richard Allen, Chief Executive Officer, Fonterra



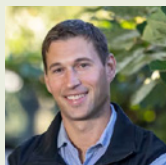
"Optimising how we use our land could deliver stronger returns for farmers and our economy, create jobs, and improve the environment. ASB is proud to be a strategic partner of land use flexibility; our Every Hectare Matters programme allocates \$1 billion of capital over five years to help farmers, including Māori landowners, to make the changes required for their land and future generations."

Vittoria Shortt, Chief Executive Officer and Managing Director, ASB



"We believe increasing land use flexibility will be positive for New Zealand's food and fibre producers. As New Zealand's only specialist rural bank, Rabobank works closely with Kiwi farmers and growers over the long-term and through the cycles, and we remain ready to continue supporting them to drive greater land use flexibility as part of their wider business strategy."

Todd Charteris, Chief Executive Officer, Rabobank New Zealand



"Our growers and farmers succeed by producing high-quality, innovative products and getting them to market efficiently at value. Greater flexibility in land use will enable us to respond to market demand and maximise returns for New Zealand."

Jason Te Brake, Chief Executive Officer, Zespri



"Emerging technology and science are changing the way we do business, delivering new products, streamlining supply chains, boosting environmental outcomes, and helping feed consumers around the world. Improved land use flexibility will help us supercharge innovation at the orchard and farm gate to lift productivity and profitability."

Gareth Edgecombe, Chief Executive Officer, T&G



"Silver Fern Farms are big proponents of our sector returning to a growth mindset. Unlocking more pasture and land use through technology gives the sector the opportunity to grow in both value and volume, and do this within a Nature Positive farming system. In turn, this supports the long-term success and wellbeing of our producers, rural communities, and New Zealand's economy."

Dan Boulton, Chief Executive Officer, Silver Fern Farms

2 Land use flexibility in practice

Case study

A successful shift to kiwifruit production

Pūkenga Farms in Te Puke offers a compelling example of how strategic land use change can lead to both economic and environmental gains.

The farm transitioned from dairy to producing Zespri Green, Zespri SunGold and Zespri RubyRed kiwifruit across 17 hectares, alongside 80 beef breeding cows on 125 hectares.

Driven by a deep, intergenerational connection to the land, farmer Kiri Tapsell has focused on integrating orchard and farm operations for profitability while prioritising sustainability. His innovative approach to soil health, including crimping grass swards to reduce mowing, and his efforts to reduce orchard waste highlight the potential of a forward-thinking mindset.

Farmer Kiri Tapsell



Enabling economic and environmental harmony

New Zealand's commitment to environmental stewardship reinforces our standing as a trusted global food provider, with the vast majority of domestic food production exported to international markets.

As international consumers and trading partners place increasing importance on sustainability, environmental performance is becoming an increasingly important component of New Zealand's long-term export competitiveness and market positioning.

This reputation is built on the hard work our farmers and growers do to support sustainable farming practices that prioritise environmental health alongside productivity.

The flexibility to change or diversify land use can only happen if it will have a lower (or no greater) environmental impact.

In recent years, the pace of land use change in New Zealand has slowed, and concerns over soil health, water quality, livestock emissions, and biodiversity have increased.

Current and future investments in advanced technologies (such as agritech) and best practices can unlock a greater range of choices for farmers and growers on how best to use their land and, in doing so, support New Zealand's economic growth and prosperity.

Significant investment is being made to ensure New Zealand remains at the forefront of environmental performance. For example, the Government has committed more than \$400 million over the next four years to continue accelerating the development and availability of new tools and technology to reduce on-farm agricultural emissions.

This includes through AgriZero^{NZ} and scaled-up investment in the Ag Emissions Centre.

There is increasing confidence in the pipeline of new mitigation tools, with the first expected to be commercially available in 2026, and several in widespread use by 2030.

Case study

Meeting demand for innovative plant proteins

MPI is supporting research and development into new, high-value land use opportunities that can be integrated into existing farm systems.

One example is the Leaf Protein Research and Development Programme, which is developing technology capable of extracting protein from New Zealand-grown leafy crops for use in a range of foods. The co-product of this protein extraction process is a low-emissions, protein-optimised animal feed.

"It's exciting to be part of this new initiative because we're taking a crop like lucerne and using new technology to turn it into something that meets international demand for sustainable protein. That's a game changer for the arable sector in Canterbury."

Tim Ridgen, a farmer working on the Leaf Protein Research and Development Programme

Dr John Penno and Maury Leyland Penno,
Leaf Foods founders and partners in the
Leaf Protein Research and Development Programme



Tim Ridgen

Water storage and irrigation

Resilient and productive land use

Water storage and irrigation can provide greater choice for landowners. A reliable and consistent water supply (on farm or at a catchment level) can allow farmers and growers to grow higher-value crops, improve pasture growth, and support diversified farming systems.

Consistent water access can also increase resilience to climate variability, reduce production risk, and extend growing seasons.

As a result, land that may have previously been limited to extensive grazing can be converted to a range of other uses such as horticulture, cropping, or finishing systems – unlocking greater economic returns and enabling more strategic, climate-resilient land use options.



Enabling economic resilience and prosperity through water storage

Reliable water access enhances the productivity and sustainability of the food and fibre sector.

The Te Tai Tokerau Water Trust, formed in mid-2020, has successfully completed the feasibility, design, consenting, and construction of three water storage reservoirs in Northland: Matawii (Kaikohe), Te Waihekeora (Kaipara), and Otawere (Waimate North).

The 3.3 million cubic metre capacity Te Waihekeora Reservoir is the first step towards the larger Kaipara water storage and distribution scheme. When completed, it's projected to support up to 1,100 hectares of new horticultural development.

These water projects ensure efficient, reliable and timely delivery of water to end users at an affordable cost. The development of pipeline infrastructure to carry the water to farms is underway, with construction to finish in early 2027.

The Te Waihekeora Reservoir shows how a community resource can be collaboratively developed and managed, to provide economic, social, and cultural benefits to its region.



Boosting the sustainability of dairy

New Zealand dairy farmers continue to take a range of actions to improve environmental outcomes.

These include optimising stocking rates, investing in water management solutions, and adopting technologies such as cow wearables to lift herd monitoring and management.

Farmers are also using precision nutrient management tools such as variable-rate fertiliser application and soil mapping to enable more targeted and efficient use of inputs and upgrading effluent systems to improve capture and storage.

Research is also being undertaken to improve existing varieties of ryegrass, clovers, and plantain and create new varieties that are more resilient and productive, and help mitigate climate change through reducing the formation of nitrates and nitrous oxide.

New technologies, science, and management strategies will continue to enable further reductions in environmental impacts, adding value to products, and enabling New Zealand to reach its climate and freshwater goals.



Case study

Investing in a positive future for dairy farming

Craigmore Sustainables is leading the way in sustainable dairy farming, demonstrating what's possible by building high-performing farming businesses that support thriving rural communities and better environmental outcomes.

Craigmore's integrated approach to improving water quality, reducing greenhouse gas emissions, and increasing biodiversity is helping drive wider adoption of technology and new solutions across the dairy sector.

One example is their 400-hectare dairy farm Glen Eyre in Oxford, North Canterbury – the first commercial dairy farm in New Zealand to adopt EcoPond, an effluent pond management system that reduces methane emissions by more than 90 percent.

At Somerset dairy farm in Timaru, environmental work also includes protecting the Canterbury Mudfish (a small native freshwater fish) and increasing the numbers of endangered native skinks.

Further north in Culverden, the installation of a woodchip bioreactor at Riverend farm and a wetland at Landsend is helping improve water use efficiency and manage water quality.

Their efforts show how farmers can continue to build successful businesses while boosting environmental outcomes.



Lifting yields and profits through high-tech growing systems

New Zealand's horticulture sector continues to lift productivity, strengthen sustainability, and meet rising demand for high-quality produce.

The adoption of advanced production systems, innovative growing techniques, and the introduction of new cultivars offer higher yields, better quality, market premiums, and greater resilience to changing climate conditions.

The integration of technologies such as sensing systems, automation, and artificial intelligence is enhancing operational efficiency and enabling more informed decision making.

These innovations also help optimise resource use, minimise waste, improve the overall growing process, and deliver significant gains in productivity and quality.



Enhancing apple productivity and profitability through integrated systems

With a rich history spanning more than 125 years, T&G Global has adopted a long-term strategic plan for its apple growing operations to ensure they are highly productive, automation-ready, and able to meet increasing global consumer demand.

In 2018, T&G embarked on a transformative journey to redevelop its New Zealand orchards. High-performing premium varieties such as T&G's premium ENVY™ apple are being planted on future-proofed, formal trellis, horizontal growing systems, which deliver a significant uplift in fruit quality, consistency, and yield.

T&G's Intellectual Property variety orchards, at maturity, produce 90–120 tonnes of fruit per hectare – significantly higher than traditional apple-growing systems. Fruit colours and ripens more consistently, harvesting is simplified, and the company can adopt specialised equipment such as electric elevated platforms and autonomous sprayers and be positioned to adopt future robotics.



T&G's highly-productive, redeveloped IP variety orchards

Increasing sheep and beef productivity

New Zealand sheep and beef farms are increasing productivity through improving pasture utilisation, advanced genetics, enhanced animal management, and the adoption of farm technology.

They're also using rotational grazing, renewing pastures, and applying fertiliser more strategically to increase pasture growth and quality.

Tools like feed budgeting software and pasture modelling help match feed supply with demand, supporting higher stocking rates and improved animal performance.

Genetic selection for traits like growth, fertility, and carcass quality, supported by technologies such as electronic ID tags and individual animal recording, are also improving productivity.

Better animal health and reproductive practices like timely drenching, vaccinations, and condition-based mating, further improve survival, growth rates, and efficiency.

When combined with the recent development of new technologies like animal wearables, auto-drafters, weigh scales, and real-time monitoring, these strategies enable a more responsive, data-driven approach to farming, unlocking substantial productivity gains while supporting environmental sustainability.

Advances in innovative tools, when combined with land use flexibility, provide sheep and beef farmers with new options to diversify. This will accelerate profitability and productivity gains by creating additional income streams, improving farm resilience, and optimising resource use.

The Government and industry are also investing in projects to help grow demand for our wool and red meat sectors.



Case study

High-performing farms enabled by technology

Efficient Beef Systems is a proven farm system that increases both pasture growth, and feed conversion to lift profitability.

Efficient Beef Systems are now trialling virtual fencing technology instead of posts and wire or string.

Collars used for virtual fencing also provide flexibility to systematically shift virtual Efficient Beef Systems around a property and/or across properties, improve the safety of farm staff, and save time.

Using Efficient Beef Systems, Tītoki, a Pāmu farm in Northland, increased its average carcass weight production from 209 kilograms of carcass

weight per hectare pre-conversion to 335 kilograms of carcass weight per hectare post-conversion (60 percent increase) on the back of harvesting more pasture and improving feed conversion efficiency.

Takakuri, another Pāmu farm in Northland, also employed similar changes in land use, and production lifted from 149 kilograms of carcass weight per hectare to 278 kilograms of carcass weight per hectare (87 percent increase).

As part of the conversion to Efficient Beef Systems, wetlands, waterways, and environmentally susceptible land were retired to either production forestry or natives. The carbon credits for the retired land provide a diversified revenue stream while offsetting the intensification of the land retained for farming animals.



Diversification on Whenua Māori (Māori land)

Whāngārā Farms, a previous winner of the Ahuwhenua Trophy, is a partnership of three Māori incorporations. Together, they own 9,000 hectares across seven farms in Te Tairāwhiti and Wairoa.

A board governs Whāngārā Farms on behalf of 2,500 shareholders who whakapapa to Ngāti Kōhōhi.

Whāngārā Farms operates as a principled and collaborative business partner, working alongside communities to achieve shared economic, environmental, and cultural outcomes.

Whāngārā Farms primarily operates as a sheep and beef farming business, supported by forestry interests. Cyclone Gabrielle had a significant impact on the farms, prompting governance, management, and owners to reassess how they farm and care for their whenua.

In response, the MPI-funded He Rau Ake Ake project was established, resulting in the development of a Whenua Optimisation Masterplan. This Masterplan will guide land use and farm system decisions over the next 100 years.

The Masterplan supports Whāngārā Farms to strengthen economic performance while enhancing environmental, cultural, and whānau (family) wellbeing. It focuses on:

- Aligning land use with land capability by retiring fragile areas and concentrating farming on more resilient land
- Diversifying land use through improved sheep and beef production, alongside the development of harakeke plantations, horticulture, and land-based aquaculture
- Identifying areas suitable for plantation/carbon forestry, alongside native bush restoration and protection.



3 Backing land use flexibility

Setting the stage for sustainable growth, backing farmer and grower innovation

Strong foundations are a prerequisite for lifting productivity, profitability, and sustainability. As global demand for high-quality, sustainably produced food and fibre continues to grow, New Zealand will need policy and regulatory settings that support innovation, investment, and the ability of producers to respond to changing market opportunities.

This includes having regulations that enable flexibility in land use decisions and support producers to adapt to evolving consumer preferences, trade dynamics, environmental requirements, and technological advancements. Greater land use flexibility will help ensure New Zealand can continue to maximise value from its finite land and ocean resources while strengthening its position in premium international markets.

The Government is making targeted reforms to unlock the food and fibre sector's significant potential and help set the foundations for sustainable growth, including enabling greater land use flexibility. This acknowledges that landowners are best placed to make decisions about their land. Government has an important role in ensuring the right regulatory and investment settings are in place to support these decisions, strengthen resilience across the sector, and help position New Zealand to capture growing global demand for high-value food and fibre products.





Building foundations through practical reforms

The Government's recent suite of regulatory reforms supports land use flexibility by enabling food and fibre producers to explore new land and ocean uses, production practices, and technologies. This will enhance New Zealand's strong environmental credentials, while ensuring regulations are fit for purpose and practical. The updates to regulatory settings profiled below, will help provide food and fibre producers with more options on how they use land to respond to market signals, boost productivity and profitability, and grow their businesses.



Enacting the Fast-track Approvals Act 2024, which has established a permanent fast-track regime to make it easier and faster to gain approvals for infrastructure and development projects that deliver regional and/or national benefits. This opened for applications in 2025.



Updating the National Policy Statement for Highly Productive Land as part of the Government's commitments to reduce consenting barriers.



Reforming the Overseas Investment Act to make it easier for New Zealand businesses to access new investment.



Reforming immigration settings to ensure food and fibre sector employers can access the skills they need when there are not enough New Zealanders available.



Improving the freshwater farm plan system to ensure it's a more practical and cost-effective way for farmers and growers to manage freshwater risks. This will help to manage and reduce the impact of farming on local waterways.



Replacing the Resource Management Act with a Natural Environment Bill that ensures the importance of food and fibre production is effectively recognised.

Investing in growth through the Primary Sector Growth Fund

The Primary Sector Growth Fund helps drive growth in the food and fibre sector.

The Primary Sector Growth Fund, administered by MPI, is focused on projects that increase returns and productivity. This includes enabling the creation of new high-value products and providing practical tools for producers to help drive productivity gains.

Approximately \$66 million is available annually for projects.

Boosting our water resources

The Primary Sector Growth Fund is inviting proposals for feasibility studies for large-scale or community-scale water storage and reticulation projects across New Zealand's regions. This includes potential new irrigation schemes, as well as the modification of existing schemes. The focus of these projects will be to improve reliable and consistent access to water for farmers and growers, supporting more productive and resilient farming systems.

Better water access will enable higher-value crops, improved pasture growth, and greater diversification of farming systems. It will also strengthen resilience for farmers and growers in the face of climate variability and longer-term climate impacts. This builds on the Government's existing investments to support growth in the food and fibre sector.

For more information and application details, visit:

<https://www.mpi.govt.nz/funding-rural-support/primary-sector-growth-fund/about-the-primary-sector-growth-fund>.





4 Investing in land use flexibility

Building knowledge to supercharge growth

Ensuring producers have access to reliable information is key to growing their businesses and lifting the production of high-quality, climate-friendly food and fibre.

Food and fibre sector bodies and companies and sector bodies have identified opportunities to partner with the Government on commercial projects. Through the Primary Sector Growth Fund, the Government is committing \$58 million alongside sector companies, bringing total investment in these new projects to more than \$140 million.

The commercial projects aim to show how profitability can be lifted with a lower environmental impact across several sectors, including dairy, sheep and beef, horticulture, aquaculture, and forestry, by using the latest science, research, and technology.

Data from these properties will be shared by the companies and sector bodies with farmers and growers to inform their land use decisions and give them further confidence to innovate and grow their businesses. This will support a more productive and responsive sector that is better positioned to capture emerging opportunities in global food and fibre markets.

This is an initial set of commercial projects. MPI welcomes further Primary Sector Growth Fund projects that meet the criteria for investment.





What the commercial projects aim to show



How beef and sheep farmers can lift productivity and profit per hectare with a lower environmental footprint through incorporating the latest available technology and farm practices.



How dairying can incorporate the latest available technology and farm practices to minimise its environmental impact.



How kiwifruit orchards can lift profitability and resilience by integrating on-orchard innovation, advanced decision support tools and new science.



How whenua Māori owners can analyse farming systems, financial performance, land use options, and ecological outcomes in order to realise their sustainable food and fibre production aspirations.

The first commercial projects are expected to be operational later in 2026. In addition, the aquaculture and forestry sector projects seek to demonstrate that there is room for existing and emerging industries to tap into global demand for high-quality sustainable products and generate new revenue streams.

What the aquaculture and forestry projects aim to show



How open ocean aquaculture can help lift the sustainable production of premium New Zealand salmon.



How New Zealand can encourage longer-term investment in forestry and wood processing through higher-value uses.

Dairy

Commercial project

Organisations from the dairy, banking, and innovative technology sectors are partnering with MPI on a new \$45.85 million (\$18.34 million from Government), seven-year project to show how current and next-generation farm system solutions, innovation, and technology can be used to operate highly profitable dairy farms with improved environmental outcomes.

The aim is to create an uplift in economic, environmental, and social outcomes by creating replicable models for profitable and environmentally sustainable dairy farming. The project will accelerate adoption of best-practice solutions through targeted co-investment, enabling productivity gains while reducing environmental impacts. By fostering breakthrough improvements in outcomes such as increased milk solids, reduced nitrogen leaching and emissions intensity, and enhanced biodiversity, the project will position the sector for sustainable growth and long-term resilience.

This project is led and co-funded by DairyNZ. Other contributing organisations are dairy processors, Rabobank, the Fertiliser Association of New Zealand, Gallagher, Halter, Pāmu, Craigmore Sustainables, and Dairy Holdings Limited.



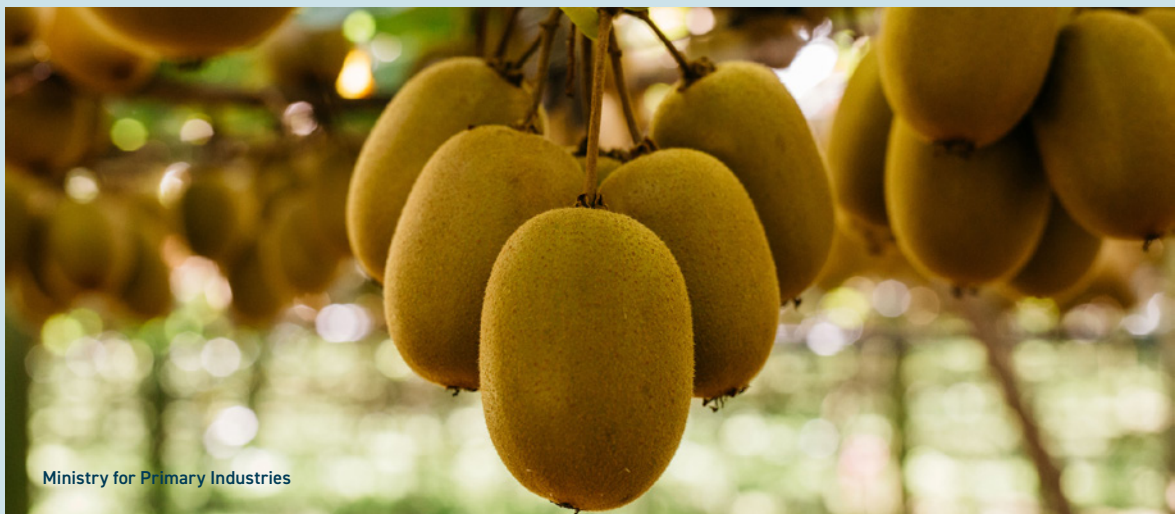
Kiwifruit

Commercial project

The Government is investing \$19.14 million in a five-year project that aims to unlock greater value from kiwifruit orchards by integrating on-orchard innovation, advanced decision-support tools, and new science.

Optimising Kiwifruit Land Use – More from Less is a \$47.87 million project that aims to enhance the value of kiwifruit orchards through on-orchard innovation, advanced decision-support tools, and applied science. It focuses on increasing yields, improving fruit quality, and using water and nutrients more efficiently while reducing environmental impact.

This work is funded in partnership with Zespri and New Zealand Kiwifruit Growers Incorporated.



Aquaculture

Commercial project

The Government is investing up to **\$11.7 million** over five years in a project to increase the production and export of premium New Zealand salmon.

The \$29.3 million, New Zealand King Salmon-led Future Farming Project is expected to support the King salmon industry in its endeavour towards significantly increasing its production by ~75,000 tonnes annually by 2035, with an associated export uplift across the aquaculture sector. Blue Endeavour alone, when fully scaled at 10,000MT, has the potential to add ~\$350 million in annual export revenue.

The project pilots salmon farming in an open-ocean environment and drives innovation in key salmon rearing processes.

It enables fish farmers to maximise productivity while meeting environmental requirements, growing export revenue, and creating jobs.

Concept image of New Zealand King Salmon
Blue Endeavour pens (ScaleAQ)



Beef and sheep

Commercial project

The Government is investing **\$3.55 million** in a five-year project aiming to show how mixed beef and sheep farms can increase profitability while maintaining or improving the health of the ecosystem by adopting virtual fencing technology.

This \$8.47 million project establishes commercial beef and sheep project farms, with key work including modelling land use potential, supporting the adoption of virtual fencing, and analysing environmental and performance data.

This work builds on prior investments to support red meat sector growth, including a three-year project to establish a premium proposition for New Zealand beef and sheep meat in China.

This work is funded and supported by Pāmu, Silver Fern Farms, ANZCO, Beef + Lamb NZ, ASB, Halter, AgFirst, BakerAg, FarmIQ, One NZ, and MPI, with wider engagement from iwi, regional councils, and others.



Forestry

Commercial project

The Government is investing \$3.2 million over three years in a new project to assess the feasibility of producing prefabricated, fully fitted mass timber modules for the New Zealand market.

Led by VoMo Limited, a Red Stag Investments company, the \$8 million project will construct and fit out prefabricated modules using intellectual property, techniques, and support from Kaufmann Bausysteme, a leading provider of modular timber construction in Germany and Austria.

The project will determine if this model of construction is likely to be successful in New Zealand. It will analyse aspects such as design, technical performance, seismic resilience, productivity gains, cost efficiency, and carbon savings. The modules could have a range of applications, including in hotels, student housing, apartments, and offices. Shifting supply from export to domestic markets also offers greater stability and encourages long-term investment in forestry and wood processing.



Whenua Māori (Māori land)

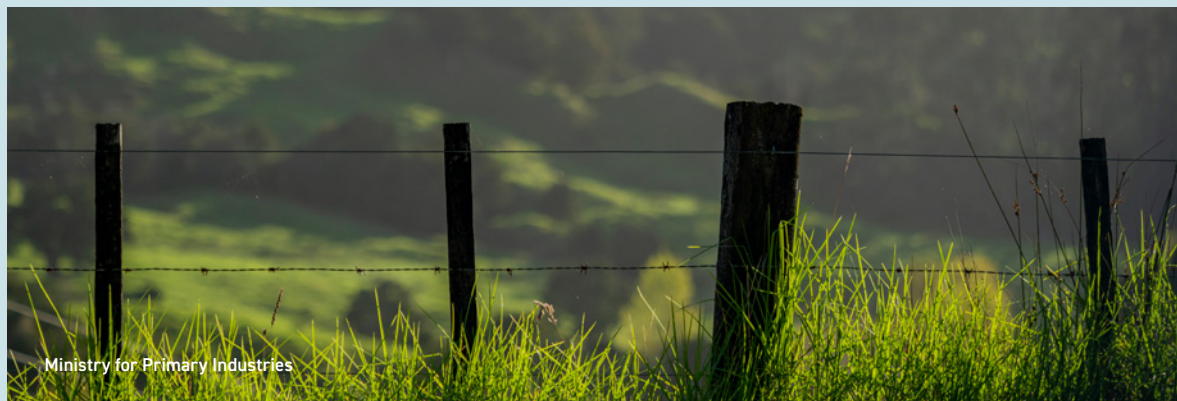
Productivity and environmental uplift project

The Government is investing up to \$2.6 million over two years in a project that uses metrics to enhance Māori landowners' understanding of their farming systems, provide options to optimise farm production and land uses, and maintain or improve environmental performance.

Takahuri Whenua (The Changing Land) is a project led by Te Arawa Primary Sector Incorporated that works with whenua Māori owners across 57 farms to identify opportunities to optimise their economic and environmental performance. This is being achieved through mapping whenua (land), analysing farming operations and financial performance, exploring land use options, and calculating environmental footprints.

Modelling during these phases across whenua Māori identified potential productivity and profitability gains ranging from 10 to 30 percent, and reductions in greenhouse gas emissions ranging from 5 to 25 percent.

This project is ensuring a range of innovative approaches are available to support Māori agribusinesses to realise their sustainable food and fibre production aspirations.



New Zealand built its economy on producing and exporting high-quality, sustainable food and fibre. With unprecedented global demand and market access, it is clear the sector's best years are ahead of it.

This report showcases this future opportunity for our producers, rural communities, and for New Zealand's prosperity. Our food and fibre producers are a vital source of innovation, that we can further unlock through flexible use of our land and ocean and adopting the latest science, research, and technology.

Doing so can increase our production of environmentally-conscious products to meet growing demand, aligning both our environmental and economic ambitions.

The portfolio of commercial projects outlined in this report have wide support and represent unparalleled collaboration. I thank the sector for its commitment and leadership to bring this work to fruition.

Increasing flexible land use, ensuring reliable water access, and increasing ocean production further could unlock a step change in New Zealand's food and fibre production, lift economic and environmental performance, create more resilient rural communities, and boost the economy to deliver greater prosperity.

MPI is committed to backing the sector's sustained success.

**Ray Smith, Director-General
Ministry for Primary Industries**



Initial Contributors



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