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## ARTICLES

### A BRIEF LOOK AT MĀORI AGRIBUSINESS

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#### ABSTRACT

This article is a compilation of a series of pieces written to celebrate Māori Language Week (Te wiki o Te Reo Māori) 21-27 July 2014. The series discussed a fact, phrase or concept about Māori culture and agriculture each day of Te wiki o Te Reo Māori. To put this in context, the Māori economy is estimated to total \$40 billion, and is almost exclusively made up of agricultural assets. The largest contributors to this are forestry (40%), fishing (38%) and lamb production (30%). Dairy production contributes 10% of the total value.

#### MĀORI AGRIBUSINESS

The concepts looked at on Mane (Monday) were tikanga and kaupapa. These concepts underpin the Māori worldview and value system and drive behaviour. The concept of tikanga refers to Māori ethics and customary values and practices such as whakapapa (honouring your genealogy), while kaupapa refers to principles and policies such as taking your shoes off to enter a marae (meeting house).

Tūrei (Tuesday) discussed tangata whenua and kaitiakitanga, tikanga concepts that are core to the Māori view of whenua (land). Māori are tangata whenua (people of the land). This describes the spiritual link that Māori have with the land that their ancestors came from and is intimately linked with a person's identity. Kaitiakitanga roughly translates to guardianship. Māori see themselves as kaitiaki (guardians, protectors) of the land for the benefit of future generations.

As such, Māori take a very long-term view when it comes to land management and do not see it as an asset for ownership. Rather, whenua is considered something of inherent value that Māori have a responsibility to protect.

Wenerei's (Wednesday's) instalment looked at Māori land ownership. As outlined previously, Māori are tangata whenua (people of the land) who view the whenua as taonga tuku iho (sacred treasure). Māori are kaitiaki (guardians, protectors) of the whenua and have a duty to protect it for the benefit of future generations. This view is incompatible with the concept of ownership, as land is seen as belonging to all that whakapapa (have genealogical ties) to it. This introduces the concept of collective ownership, the topic for Wenerei.

Of the 26.9 million hectares of land that make up Aotearoa (New Zealand), around 1.4 million hectares is Māori freehold land (ownership determined as Māori by the Māori Land Court). Legal ownership of this whenua is fragmented and diluted due to it being passed through many generations. Consequently, many blocks (land for which there is a land title) have been amalgamated under a trust or incorporation. These organisations have thousands and thousands of owners, many of whom have little experience with business concepts. Since collective ownership and decision-making is inherent in the Māori worldview (and for trusts is set out in legislation - Te Ture Whenua Act 1993), the day-to-day operation of these organisations can be difficult.

Having introduced Māori land ownership structures, which often come in the forms of trusts and incorporations, Tāite (Thursday), looked at how these multiple shareholdings, coupled with the Māori values that underpin these organisations, impact on the development of these land-based businesses.

The following values generally underpin Māori land-based businesses, and greatly influence how they operate:

- Kaitiakitanga – guardianship of the land
- Whakapapa – genealogical ties
- Whanaungatanga – family connections and relationships
- Manaakitanga – Reciprocal and unqualified acts of giving

As a result, decision-making is collective and must take into account environmental, social and cultural implications in addition to financial outcomes. Further, a majority vote is often not enough to pass decisions and a near consensus is sought. Since ownership is generally made up of thousands of shareholders who are often unfamiliar with business concepts and large sums of money, it is very difficult to pass any significant decisions. This often results in slow decision-making and consequently, slow development.

Also impacting on the rate of development is the long-term and generally conservative view that Māori organisations take. This is put down to the fact that protecting the land is the absolute priority of these organisations so any steps that may negatively impact on the environment or put their ownership of the land at risk are avoided. Borrowing capital against the land is therefore often looked upon negatively and has stifled development. One relatively common way to overcome this has been to enter into joint ventures to share the risk of developments and capital required.

Paraire (Friday) saw the final instalment of the series about Māori cultural and agribusiness. It reviewed the significant potential of Māori land and a high-performing organisation that has set an impressive benchmark for other Māori organisations.

Recently, the potential of the Māori economy has received a lot of attention in the media and governmental reports. We have seen headlines such as "The Māori economy - a sleeping giant about to awaken", "Māori land bursting with farm potential" and "Māori economy: brimming with potential". These inflated headlines are based on real analysis. A 2013 PricewaterhouseCoopers report for the Ministry for Primary Industries calculated that raising production levels on Māori land to match regional benchmarks, while requiring a \$3 billion investment, would unlock \$8 billion in additional output over 10 years, create 3,600 new on-farm jobs, and result in expansion of the service and processing sectors. Further, a 2011 report by the Ministry for Agriculture and Forestry estimated that almost one million hectares of Māori land was under-performing.

The potential of under-performing land can be seen in several examples of highly successful Māori organisations. Tuaropaki, located in the central Te Ika a Maui (North Island), is an ahu whenua trust that has developed a high-performing and highly sustainable business. They have established a geothermal plant that powers greenhouses where premium export grade produce is grown. In the last decade they have expanded this business and developed a worm farm and native plant nursery to use the waste from the greenhouses. The worm farm also receives waste from the nearby Miraka dairy processor, a joint venture between Tuaropaki and a number of other Māori organisations. This

example truly demonstrates the holistic Māori worldview in action and shows that it can produce a highly sustainable and profitable business. Other examples of high-performing Māori organisations include Parinihi ki Waiotara Incorporation (PWK), Putauaki Trust and Te Arawa Primary Sector (TAPS).

Māori organisations have so much potential to increase their current contribution to the Aotearoa economy. I am hopeful that we will see this potential realised as more attention is drawn to the challenges specific to Māori organisations and more culturally appropriate systems are put in place to overcome them.

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