

its transformation strategies, but it provides a blueprint for change that is in the wings and ready to go.

## **The Rise And Rise Of Māori: Iwi and the agricultural and food sector**

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*Kō te whenua ka ora tangata*

*It is the land which binds the people*

This whakatauhāki, or traditional Māori proverb, is the first line from the Ripo Tautahi Whānau Trust's strategic plan. It signifies the importance of the land to the health and well-being of those who associate as Māori. Under the great protective cloak of Mount Taranaki, the particular piece of land administered by this trust and the rich coastal seashore that borders its western edge has provided my father's family with economic, social and spiritual sustenance for generations. My family treasure it today as if our very lives depend on it — as it very well did for my ancestors in years past. The land provided the means to live and shelter, and to grow food crops in early years and, more recently, pasture for milk production. It still serves that purpose today.

In the world right now, for a host of reasons, it is good to be 'good' at producing high-quality food and beverages. As New Zealanders we are fortunate that we excel at this. We have something else which makes us doubly fortunate, a unique feature that has served us well and will continue to do so. I'm referring

to the long-term commitment and growing power of iwi, Māori incorporations, land trusts and Māori-owned businesses in land ownership and stewardship, the production of high-quality food, and the creation of unique brands with global appeal. Together these represent something to be acknowledged and celebrated.

A beautiful gift, that's what I call it. In an environment where many New Zealanders are concerned about foreign investment in our farms and the displacement of the traditional family farm by corporate farming enterprises, an increasing Māori presence in the primary industries is surely a comfort. Māori-owned land is typically not sold, after all, and dividends stay here to be shared with iwi, hapū and whānau, benefiting New Zealand as a whole.

Before we look at why this is important to us as a nation, some context about our place in the global 'agrifood' world needs to be set.

By 2050, the demographers tell us, there will be 9 billion humans on Earth. This is a lot of mouths to feed. Because of increasing wealth and the subsequent desire for more animal protein, the world will need to produce 70 per cent more food than we do today. Achieving this in a sustainable way will be one of the great challenges of the century. It looks even more challenging when you consider that 70 per cent of the world's fresh water is used in food production and 25 per cent of the food produced is lost in the supply chain and to pests and disease. I like to put the challenge in this way: we need to triple the output of food production with half the input. I call it the 'three times and 0.5' rule.

While New Zealand is a substantial producer of food, feeding 9 billion people is way beyond our capability as an individual nation. Our total current food output would feed 40 million people in any one year. I've heard it said that putting our entire sheep stock to the works today would satisfy China's sheep-

meat demand for one day's lunch. What we *can* do is make a substantial contribution to the world's global knowledge base about sustainable food production. We can also enhance our own citizens' wealth and well-being by picking those 40 million people with care.

There is a wonderful quote from one of the founders of Wright Stephenson: 'You must ensure the grass grows in the country, otherwise it will grow in the streets of your towns and cities.' Today about 50 per cent of our land is used in some form of agricultural or horticultural pursuit. About 2 per cent is used for our towns and cities. While the majority of our people live in urban areas, we remain reliant on the agrifood sector for our economic well-being. Those associated with the agrifood value chain include some 100,000 enterprises — that is 20 per cent of all existing New Zealand companies. The agrifood sector employs 10 per cent of New Zealanders and represents 20 per cent of total GDP. Products classified as food and beverage make up 70 per cent of export receipts. We remain, firmly, a biological economy.

Further, only 4 per cent of our 'sovereign estate' is above water. Our Exclusive Economic Zone (EEZ) totals 4 million square kilometres. The opportunity and potential from the gift of land, sea and air around us is truly immense. In the immortal words of John Clarke (a.k.a. Fred Dagg): 'We don't know how lucky we are, mate; we don't know how lucky we are.'

We are good at growing the food that a more affluent world population wants to eat. While we can't feed everyone we are good at the systems of food production. Not just in milk and animal protein, but apples and kiwifruit and avocados and berry fruit and grass and lots of other plant-based foods. We know how to cut waste and reduce post-harvest losses. We are good at food

diplomacy. We are experts at getting the *kōrero* (discourse) going between our trading partners to free up borders and barriers to trade, allowing economies to grow so that people can afford the food in the first place.

We need to get a lot better at it. When you take a look at total food and beverage export value versus other advanced nations, we don't stack up so well. New Zealand is eight times larger in land area than the Netherlands and yet that country outperforms us in food and beverage export value by more than three to one. To close that kind of gap requires a step change.

We need to stop thinking about ourselves as a small country. A small economy, perhaps, about the size of a mid-size US city like Philadelphia. A small country? Not at all. That 4-million square-kilometre EEZ is the fourth largest in the world. Our above-water land area, at 263,000 square kilometres, is about the size of Italy or the United Kingdom. In a world eager to receive our high-quality, safe food and beverages, as well as our knowledge and our good stewardship, I call that 'potential'.

What a fabulous strategic position for a beautiful place at the bottom of the South Pacific to find itself in.

Nine years ago I spoke to an agricultural conference at Massey University about the size, scale and importance of the land-based and sea-based industries to the New Zealand economy and the scale of Māori interests in those sectors. Back then, a study by the New Zealand Institute of Economic Research introduced the concept of a 'Māori economy' and estimated the size of Māori commercial assets at \$16.5 billion.

More than half of those assets were held in the primary industries and more than one-third were held in some form of collective ownership. There was a surprised hush through the

room when I put these numbers up. The hush became more of an awkward murmur when I talked about this being just the beginning of the return to Māori re-establishing themselves as the food providers to the nation. This was the case in early times, after all.

The data were updated in 2010 by BERL (Business and Economic Research Ltd), and this time the asset base of the Māori economy totalled 'at least' \$36.9 billion. Latest estimates put that number at \$42 billion and growing. These are serious numbers by any account.

I think as a country we are accepting that, for now and the foreseeable future, our social, economic and environmental welfare depends on being good at food and beverages. The world likes what we produce, and, for Māori, most assets fit into the class that produces it.

If you were a long-term investor, looking to retain assets over the long term in a sector with growing global demand, you would be hard pressed to find a better intergenerational proposition than investing in New Zealand food production and the technologies that support it. It is no accident that we have other countries knocking on our door looking to be part of this.

And for Māori? Māori are already a long-term intergenerational investor, a major player in food and beverages and an increasingly attractive partner for local and overseas players. By accident or design, that's what I call a good long-term strategy.

Those who, like me, travel internationally regularly can become a little immune to the favourable response our international trading partners have to 'Brand Aotearoa'. By this I mean the overall view that our trading partners have of our country. I have come to realise that a lot of that view is based on the uniqueness and freshness of New Zealand 'culture', a unique fusion of Polynesian and European quite unlike anything our

trading partners experience elsewhere. This view is built, of course, by individual interactions with New Zealanders and by our increasing confidence in expressing ourselves and telling our story in our own unique way.

I see it in the faces of North Americans on the West Coast as they sample our food and wine and listen to our stories of the land and sea that produce it. I see it in the smiles at formal signing ceremonies with Chinese organisations. I see it in the remarkable reaction of visiting customers from Asia to our commitment to intergenerational land management. For many Māori organisations this is reflected in planning horizons measured in the hundreds of years. Our ability to demonstrate confidence with humility is a powerful mix. We are not so shy to tell our story anymore. We can connect to others with 'kōrero and kai', a phrase I've used to describe the magic that is the New Zealand food and beverage story.

What does it look like in, say, 2050 with those 9 billion people around? As the saying goes, 'Forecasting is very difficult, particularly with respect to the future.' What is clear is that Māori will take an increasing role in agrifood in the years ahead. As a kaumatua (elder) related to a group of agri leaders recently, 'Long after all the [corporations] have left or changed into who knows what, we will still be here. We are not going anywhere!'

In my mind, 2050 looks something like this. Partnerships will thrive among Māori incorporations, iwi groups, and Crown-owned and privately owned commercial entities. These partnerships will be driven less by the desire to maximise price at the farm or orchard gate than by owning and sharing in the parts of the system which add significant and long-term value: IP in the plant variety or animal genetics, IP in food production

and processing systems, and ownership of the brand. Look to the Tūhono Whenua Partnership as an example of this.

New models of land aggregation by smaller Māori land-holders will emerge to gain scale and depth. They will take advantage of the bigger partnerships mentioned above and will join them in unique ways. Examples of this are emerging within Te Tumu Paeroa's [Māori Trustee's] innovative strategies with smaller Māori landowners and land trusts in Tu Tumu Paeroa's care.

Intergenerational health and wealth creation will become standard doctrine. Agreements with overseas trading partners will be more aligned to long-term whānau and hapū (family and extended family) type bonds. By this I don't mean the negative nepotism stereotype. Overseas partners attracted by the decades-long planning and commitment to partnership modelled by Māori organisations and iwi groups will aim for long-term security of supply. Think of the global retail chains, many still with strong family links in their ownership structures, making agreements with Māori incorporations and iwi and their partners that have a 20-year, 50-year and perhaps even 100-year time frame. I envisage the signing of this type of agreement in my lifetime.

Māori will have more ownership in the means of production and processing. This doesn't necessarily mean traditional ownership, such as capital in plant and equipment, although this will continue to occur. What it means is that an increasing Māori involvement in land and sea assets will require owners of capital in processing assets to partner with iwi, Māori incorporations and land trusts simply because it will be a commercial imperative.

Lastly, I see Brand Aotearoa — defined in this context as the way we are viewed in overseas markets — being fully immersed in the imagery, metaphor and culture of contemporary New Zealand Māori. The fusion of Māori and European culture, which

makes us so distinctive to those who don't live here, will find its true voice by the middle of this century.

Being good at food is a great place to be in the twenty-first century. Being part of a nation with the gift of a growing Māori presence, whose commitment to land, sea and air stewardship is measured on a century scale, is a priceless asset for all New Zealanders.

It is the land which binds the people, after all.

## **On The Trail Of A Loin Fillet: Meat, markets and prosperity**

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The production of meat has been integral to the evolution of New Zealand's prosperity. Over the course of the twentieth century, however, changing trade relationships and consumer tastes (among other things) have called into question the role of meat in New Zealand's future prosperity. None of this has occurred without a response. Perhaps contrary to received public wisdom, New Zealand's meat industry has over the course of almost 130 years periodically transformed itself. Refrigeration, producer boards, containerisation, chilled cuts and automation are all examples of novel ways of rethinking and redoing meat that have been used to overcome moments of crisis and to maintain the relationship between meat and prosperity.

However, over the past decade this relationship has become more strained. The result has been extensive discussions about what the future holds for meat, and experimentation in the actual production of new meat futures. Sharpening these discussions has been volatility in the returns for meat, the rise of alternative ways of generating revenue from land, and the geoeconomic realignment of the world's consumers and economies around Asia and the Pacific.

Notwithstanding the anxieties about the future of the