



**CAN DO BETTER:** PotatoesNZ chief executive Chris Claridge wonders if we are doing as well as we think at research and adding value.

## Is research helping farmers to add value?

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NEW Zealand's agriculture-based food and beverage sector really needs to ask if all the research being done is adding usefully to industry value.

Potatoes NZ chief executive Chris Claridge says.

Food and beverage (F&B) exports show up as having a high domestic value-added component, compared to most other OECD countries, but the hurt for farmers because of price downturns in the dairy and lamb-producing sectors in particular suggests that value-add research needs to be more focused.

"If we're doing as well in this as we sometimes think we are then why is our rural sector still hit so hard by the downturn in commodity prices?" he asked.

Claridge was following up comments at this month's Agricultural Biotech Symposium in Palmerston North where he suggested scientists might focus too much on what he called "magpie tech solutions", leading to a disconnect between farmers and science and that was holding back economic growth.

There had been a lot of research in the dairy industry but in the space of three years returns to farmers had fallen from record highs to 15-year lows in real terms.

"It's difficult for farmers to make decisions when they go from the top of the market then almost next year to the bottom.

"So how do we reduce the impact of the commodity cycle?"

By magpie solutions he meant scientists focusing research on subjects that were of particular interest to them rather than in areas that would have a practical impact for agricultural development.

**“Yes, we are very good at turning grass into protein but is it getting us further ahead? If it is, then why are we still getting an impact linked to commodity cycles?”**

**Chris Claridge**  
PotatoesNZ

"That's their passion and that's important and you can't be telling them what to do but the question is should we be doing better and using our resources better to improve our place in the global value chain?"

"The answer to that is yes we should be."

There was a tendency to get excited about a specific area of research without thinking how that would help the overall industry.

"We might have to get

researchers to move away from single-step technology to look at total solutions."

That would involve a balancing act so industry was not interfering, because it could also get things wrong, but if industry was directly funding research then there was a need to make sure the resources were properly targeted.

Claridge was basing his comments on Institute of Economic Research analysis showing NZ remained lowly placed in Organisation for Economic Co-operation and Development record of global value chain participation though the agriculture and F&B sector participation was much higher.

In terms of domestic value add (DVA), covering onfarm and processing activity, NZ was higher again with an 85% content in gross exports, near the top of OECD results.

"Yes, we are good at the DVA level but overall we are low in the rankings and yes we are very good at turning grass into protein but is it getting us further ahead?"

"If it is, then why are we still getting an impact linked to commodity cycles?"

While some export sectors were struggling, the horticulture groups were mostly doing very well and could be a guide to others.

However, the impact of dairy and meat was greater because of their relative size in the economy.