



JOINING STRONG: Maori farming assets are still dominated by grassland with sheep the main stock class, such as those at Ugati Kahungunu's iwi farm Tautane Station at Herbertville.

Iwi land makes strong income

Richard Rennie
richard.rennie@globalhq.co.nz

MAORI business investment through iwi ownership is playing an increasing role in the primary sector.

Statistics New Zealand said Maori authority businesses generated a record surplus before tax of \$720 million in 2017.

Iwi assets have grown on average 7% a year between 2012 and 2017 to total \$20 billion.

Maori agricultural assets comprise 13% or \$2.6 billion with the bulk held as land. Iwi agricultural assets generated income of \$337m in 2017 with a surplus before tax of \$56m, up from \$42m in 2012.

In 2017 Maori agricultural operations paid salaries and wages of \$40m, up from \$36m in 2012.

The report provides an insight to the increasing role Maori agribusiness investment is playing in the economy as growing numbers of Maori authorities gather economic steam, helped by Treaty settlement input and strong business leadership.

Iwi account for almost 3% of the country's grassland, similar for horticulture and 5% of forestry plantations.

The land use experiencing the most significant shift is horticulture, increasing 28% in a single year from 2016-17.

That was helped by significant increases in iwi ownership of kiwifruit orchards in particular in Bay of Plenty and East Coast.

Other horticultural uses now include onions, accounting for about 400ha. Total iwi ownership of horticultural land is now 3900ha.

Iwi horticultural operations are likely to receive an even greater shot in the arm in coming years with the Provincial Growth Fund putting \$370,000 into a kiwifruit project on the East Coast run through the Te Kaha Landowners group, an iwi consortium consisting of six ahu whenua trusts that own kiwifruit orchards across the East Cape.

The initial funding is to be followed with as much as \$13m of investment to boost iwi jobs in the remote area through horticultural projects aiming to create year-round employment for almost 200 people.

Other recent Bay of Plenty Maori investments in the sector include 100% iwi-owned Te Awanui Huka Pak taking a 17% stake in Seeka and a \$30m investment programme to build 10 kiwifruit orchards in Bay of Plenty and Gisborne.

Iwi interests also secured a 98 canopy hectare kiwifruit orchard producing 2.6m trays of Green and SunGold fruit last year near Te Puke.

But grassland continues to dominate iwi farm portfolios, accounting for 51% of the total iwi land under management, at 207,000ha.

The livestock populating that area are dominated by sheep, accounting for 844,000 with dairy cows and heifers accounting for 66,500 stock.

The dominance of iwi in large-scale farming operations is reflected in the average stock numbers per farm, typically running twice the national average for both dairy and dry stock operations.

The Statistics data also highlights the extremely low level of debt that characterises Maori land ownership.

In 2017 the \$2.6b of iwi agricultural assets were backed by 80% equity and the average debt per hectare of pastoral and horticultural land was only \$1000.


In contrast, estimates for the national debt level across the entire pastoral and horticultural sector is \$7800 a hectare, based on 7.63 million hectares of horticultural and pastoral land.

Gary Knight

ONE TOUGH NUT

This man knows about working hard. Ten years in the front row for the All Blacks, a medal-winning international wrestler and a dairy farmer in the mighty Manawatu. Day in and out in all conditions, that's when Gary really shows his mettle. To us, he's a Betacraft legend.

Check out our range of rugged and reliable gear at betacraft.co.nz
Follow us on social @betacraftnz


betacraft
WORKWEAR

Outside for Life.