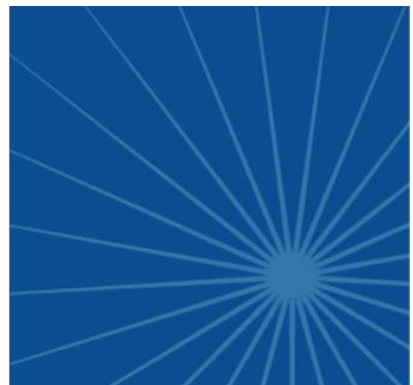


Red Meat Profit Partnership

Māori farming qualitative report



September 2014

Contents

Introduction and methodology.....	3
1.1. Methodology.....	3
1.1.1. Interview specifications.....	4
Executive summary	6
Māori contribution to the red-meat sector	9
3.1. Significant economic potential	9
3.2. Long-term planning	10
3.3. Overseas cultural connections.....	14
Farm segments.....	17
Hurdles for growth	21
5.1. Governance.....	21
5.2. Human capability.....	27
5.3. Scale	41
5.4. Disjointed sector.....	46
5.5. Other impediments to growth.....	50
Information transfer.....	54
6.1. Management structure/ Land tenure.....	54
6.2. Broadly similar needs	57
Processor relationships and views of the RMPP	67
7.1. Processor relationships	67
7.2. RMPP.....	69

Introduction and methodology

Te Puni Kokiri (2012) notes that Māori farming businesses make up about 15% of all sheep and beef production and suggests that this is likely to grow. Given the unique ways that Māori share ownership of the land, the way they view their land, and their growing influence in the agricultural sector it was decided to conduct specific qualitative research among this sub-population of farmers. The Crown is also a large contributor to the RMPP programme and given their special relationship with Māori under the Treaty of Waitangi, this is further reason to consider specific Māori farmer participation in the research.

1.1. Methodology

To best include Māori farmers in the study we were advised to use in-depth interviews. This approach gave us more flexibility for interviewing Māori farmers across a wide range of locations. This face-to-face approach is most appropriate when engaging with Māori as it takes into account the cultural practice of *kanohi ke ti kanohi*.¹ The sample for these interviews was sourced primarily from the Beef and Lamb New Zealand (B+LNZ) customer relationship management (CRM) database.

Challenges in identifying the best people to interview meant we ended up primarily interviewing industry leaders as opposed to practical farmers. The main challenge being that on the B+LNZ CRM data base the owners of farms listed tended to be trustees or chairpersons of boards. In some cases we were able to ask the contacts that we had for the details of a farm manager which meant we were able to gather some views of those involved in the day-to-day management of Māori-owned farms. This approach provided an overarching view of the Māori farming sector, what it needed to grow and the main constraints for development and growth.

This means the views in this report are weighted towards the larger Māori farming corporations. However, we also included some participants who worked right across the different tiers of Māori farming in supervisory or advisory roles, which allowed us to gain a broader feel for the industry. Most participants included in this study wear many hats, making it difficult to clearly define their status as a research participant. In a few cases, a board member was also a farm advisor and a farmer. It was also common for participants to be on multiple boards, which included large Māori corporations, a few smaller ones including their family-owned farming operations.

¹ This can be translated to mean face-to-face or more accurately Knowledge connections. This type of engagement with Māori is important in research as it helps to show a genuine attempt to engage with and understand the audience

1.1.1. Interview specifications

This report is based on 10 face to face interviews and all were based in the central and eastern North Island:

- 3 x Chairperson of large Māori corporations
- 2 x Advisors/ board members/ farmers
- 1 x Advisor/ board member
- 2 x Farm managers of large Māori corporations
- 1 x Māori leader
- 1 x consultant to Māori corporation/trust farms.

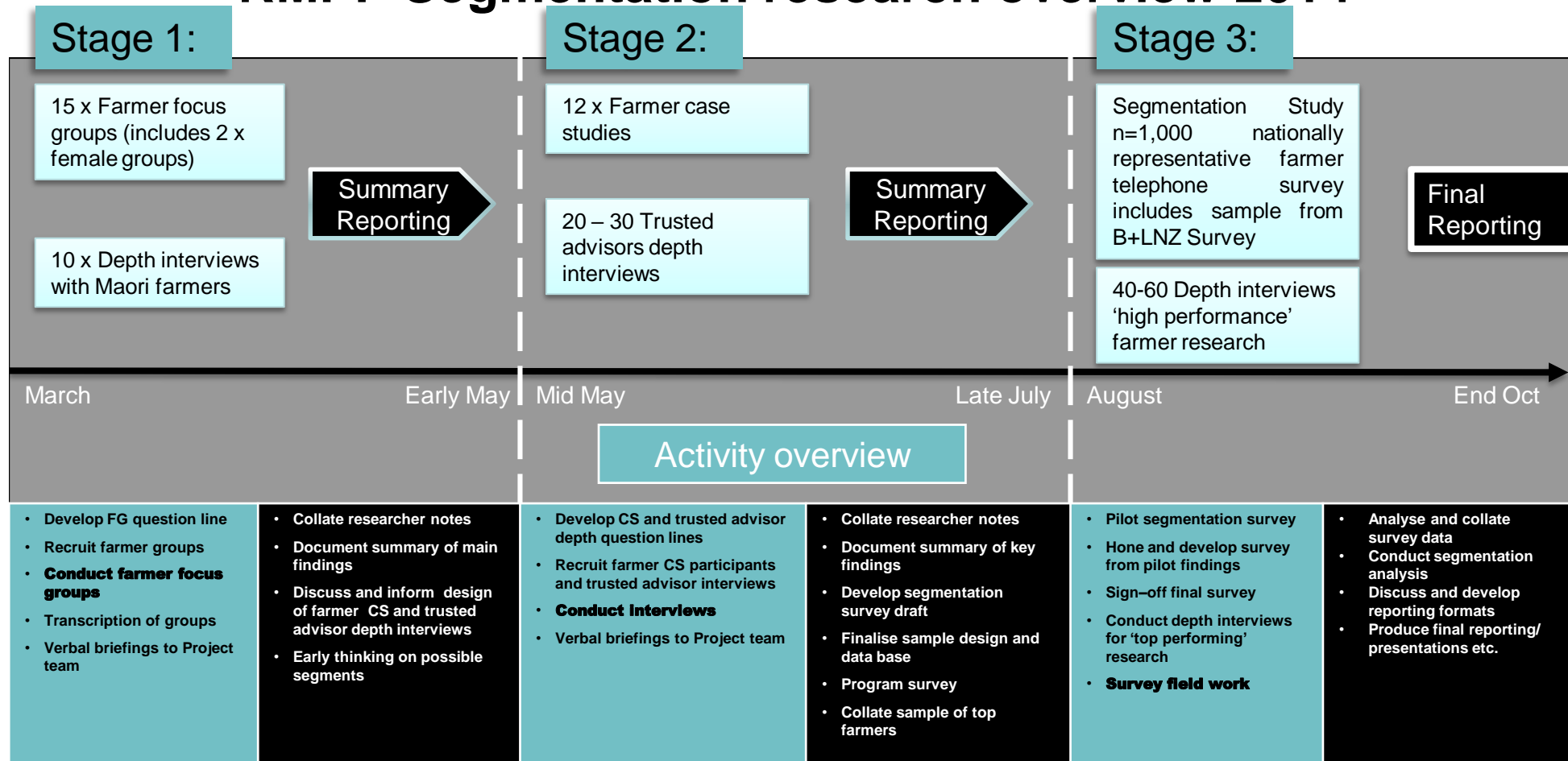
Each interview lasted between 45 minutes and one hour. While similar topics were explored in each interview, given that the participants were all involved in Māori farming in different ways the question line had to be heavily tailored to the individuals; this makes it more difficult in qualitative research to arrive at general themes. However across the interviews there was some clear agreement, which is the focus of the findings presented here.

■ Note on qualitative research

It is important to note that this is a qualitative report and while it is useful for identifying the range of views that exist within a population and some of the complexities around how those views are expressed. It is not intended to provide a definitive view of the Māori sheep and beef sector, quantitative research is necessary to provide direction on how widely the views expressed in this report are held across the greater population of interest.

The diagram on the following page shows where this report fits into the wider RMPP research programme.

RMPP Segmentation research overview 2014



AG/R Lit review

Executive summary

Overview

There are two critical points in this report that the RMPP will need to consider if they wish to extend the benefits of the Partnership into the Māori sheep and beef sector:

- The way decisions are made on most Māori-owned farms are significantly different to the owner-operated model of most Pakeha sheep and beef operations. Major changes on Māori-owned farmers are often made at the board level not by grass root farmers. This means in the Māori sector the target for any industry initiatives will be quite a different type of person with a much different level of industry understanding.
- Participants in Māori farming have a more long-term view of their farming businesses, often extending further than several generations. This mode of thinking creates a different attitude to increasing profitability and productivity. Often on-farm decisions can be made that may not yield a dividend until much further down the track.

■ Major contribution to the red meat sector

There is significant potential for Māori-owned farms to contribute even more to the productivity and profitability of the red-meat sector. There appear to be large tracts of Māori land that are underdeveloped, which with the right administration structures and investment, could contribute much more to the productivity of the red-meat sector. Those in Māori farming tend to think more long-term when planning, and among the bigger corporations this breeds a greater willingness to invest in their properties and farm for sustainable returns. Some argue that the red-meat sector is hamstrung by short-term thinking and to a lesser degree focusing on an increase in land values. They suggest that moving from three to five year plans to 30 to 50 year plus plans (as was the case with some larger Māori corporation) will better help to secure a more sustainable and profitable red-meat sector in New Zealand. Māori also have a lot to offer the red-meat sector when it comes to forging global relationships, especially in the Asia-Pacific region where they have strong cultural links.

■ Three general segments of Māori farmers

Like the wider red-meat industry there are definite segments of Māori farming operations based on performance. The tier one farmers (or those who are looking at the horizon) are the larger Māori farming corporations. These larger operations have developed effective governance structures; they employ good staff; and have the scale to access specialists' advice for improving their on-farm productivity and profitability. Their size also gives them influence in the market and some are

forging international relationships to help improve their profits. Participants estimated tier one Māori farmers only make up a very small proportion of the Māori red-meat farming sector.

Tier two Māori farmers are estimated to make up a more solid proportion of the Māori farming sector. Among the tier two Māori farmers there was thought to be a mixed bag of performance, with some doing well and others struggling to break even. The operations in this tier have significant potential for increasing productivity, although some are held back by poor governance structures, scalability and on-farm capability.

Tier three farmers are mainly smaller family-owned farms or, in some cases, farms owned by a multitude of people and are estimated to make up the largest proportion of Māori farmers. These farms are mainly either just breaking even or making a loss - many of them only playing the role of providing employment for the family or being somewhere to holiday.

All these tiers will face obstacles to improving productivity with tier two and three facing the greatest difficulties to progress. Some participants felt that farms in the third tier were almost in the 'too hard basket' to improve as many in this segment would not be motivated nor interested in change. It was suggested that the second tier had the greatest scope for increased productivity with industry assistance.

■ Hurdles to growth

There are many obstacles that prevent Māori farming from flourishing, with lack of good governance seen as the biggest impediment to growth. There are some programmes in place to improve the governance of Māori farms; however more can be done in this area - particularly around designing programmes to develop administration skills relevant to Māori red-meat farming and the people who currently lack the skills and experience to govern.

Related to governance skills was the need to build further human capability in the Māori red-meat sector. The general consensus was that there was a lack of Māori farm managers running the large corporations; however owners of Māori farms were in the same market for workers as the rest of the red-meat sector and faced similar issues when securing staff. Many large corporations were running programmes to try to develop staff further to work on their farms. There was some agreement that current mainstream approaches to developing human capability did not cater well to Māori. There were strong suggestions that the industry needed to be promoted more to young people through schools and the celebration of success stories and role models. Furthermore, once young people were attracted into the industry there was a need for mentoring programmes to help hold their hands through the early stages of their farming career.

Scalability was another significant issue for Māori-owned farming. The Māori farming operations in the second tier that seem to be progressing were the ones who were forming alliances and partnerships with other Māori farms. These partnerships were sometimes within wider groups of Māori operations that came under particular tribal or trust groupings. The advantage for these mid-tier Māori farms working together was achieving scale. This enabled them to integrate farming systems and avoid being held to ransom by the vagaries of the seasons and/or the store market. They were also able to take a greater number of animals to market giving them more negotiating

power. In some cases where farms were integrated there were also opportunities for spreading scarce talent across more hectares of land, which could lead to further productivity gains.

While there is some evidence of Māori-owned farms working together there is also a lack of coordination in many pockets of the sector. This lack of coordination also extended to some of the responses being developed to assist Māori sheep and beef farmers. However, there was some evidence that industry bodies were beginning to engage more with the sector – a move that was welcomed and there was a view that it needed to continue.

■ Information transfer

The way in which decisions were made on many Māori-owned farms means that bringing about change on these farms could be a more difficult proposition than on owner/operator farms. On many Māori-owned farms there were complicated management structures and it is difficult to determine decision-making processes, meaning that several people may need to be influenced before a change could be adopted on a farm. Given this, it was suggested that the most productive way was to provide information to the chairperson of the boards that administered many of these farms. However relationships needed to be built with Māori farmers as they could be wary of outsiders and reluctant to change. It was suggested that, as Māori were often involved with several farming trusts in various capacities, if they picked up an idea that worked at one trust they would soon suggest it to others they were involved with.

Once you had negotiated your way past management structures and down onto the farm, the needs for lifting on-farm productivity were not hugely different from the rest of the red-meat sector. The targeted approach that worked with farmers in smaller groups, taking them step by step through plans for making a change where results were obvious, was also critical in the Māori red-meat sector. Benchmarking and measurement also have a critical role to play, as they allow board members to more easily see how their farms are performing and then hold their managers to account.

Māori contribution to the red meat sector

3.1. Significant economic potential

The potential to increase production and profits among Māori-owned sheep and beef farms appears to be immense. One participant described Māori farming as:

A sleeping giant, but even while it is sleeping it is still hugely important to the red-meat sector. (Manager of Māori farm)

Many participants suggested that there was a large amount of Māori land that was operating well below its potential. However, some of the larger corporations appear to be making significant inroads into running profitable operations. The ones who are doing well have been able to set up good governance and management structures and have employed talented managers to run their farms. Some of these managers have wide experience and know the value of accessing specialist advice to lift the productivity of the farms they manage. The example below illustrates what can be achieved if you have the scale to invest in good advice, mixed with a motivated manager.

I thought we needed to move up the next step and I went and got an animal production specialist to come and help us and he certainly taught us that we weren't very good at all. We lifted the return per head per ewe to about \$40. Put that over 20,000 ewes and he cost us next to nothing, maybe \$8000 - \$9000 a year. He is a very, very important part of our business; he is one of our key advisors. So there is help there if you know where to find it but we didn't really know where to find it. We have all sorts of guys come in help us who are specialists in different areas and come and do our own in-house training. (Manager of Māori farm)

It was much more common for these larger corporations to be able to access specialists' advice and this was clearly a driver of their relative success.

What we find is that they [Larger corporations] typically land on focused advice. So they have specialist advisors, they are able to identify what they want and then find the sources to achieve it. (Māori leader)

Māori own large tracts of land and as they further build momentum the scope for them to be an important contributor to achieving growth in the New Zealand red-meat sector is significant. However there was no doubt that a lot to work was still needed.

A lot of the farms are underperforming even though there is a lot of hype out there but when you analyse each farm using KPIs you will find there is a lot of wastage, a lot of slippage, a lot of opportunity. But until they get their farms up to peak performance then they can start making some major changes. Governance needs special attention, the appointment of appropriate farm management and adopting of new systems also needs careful consideration. Once you have got those two together you then need to look at the farm itself in terms of its general health. (Māori, chairperson)

3.2. Long-term planning

Māori farming trusts appear to take a much longer-term view when thinking about the direction of their farming operations, and there is potential for this to benefit the red-meat sector as a whole. While Pakeha farmers may talk about planning for the next generation, it is rare to hear them have a vision spanning several generations. A few Māori participants had multiple decade plans in place. In Māori farming the dominant cultural norm is that their land will not be sold (however some are starting to challenge this), so the value in the land will never be realised; this leads to many of the larger Māori corporations having a much longer-term view when making decisions on how they develop and run their farming businesses.

[Unique to Māori farming?] The big thing about Māori farming, and this is why they should be able to attract the best staff in New Zealand, is because Māori farming has a 100 year view. Most Pakeha farmers are land speculators, they buy their farm, work hard all their life, pay their farm off, take the 20% capital gain over their life, whatever it may be - 50%, 100%, and that is what they do and they scrape and scrimp all their life because they have to pay big payments back, whereas Māori farming is totally different. (Manager of Māori farm)

The fact that we have to drive yield, in other words cash surplus, because we have an inalienable asset; whereas in the last two years the industry has tended to focus more on capital gain. And so with mainstream farming as long as they have cash flow when they turn 60 they have got their retirement fund. We can, but because we don't sell land it is important that we drive yield. (Māori advisor/board member/farmer)

Among some of the larger Māori corporations there was more of a focus on investing in their properties and looking to drive greater returns that may not necessarily be realised in the short term. Their focus was that the development would eventually pay dividends for future generations. This led to some striving for operational excellence rather than just holding on for capital gain.

Operational excellence is paramount. They are never going to sell their farm so therefore Māori farmers are a lot more inclined to invest in their farm, invest in their training, invest in their people and drive their business. And that needs to be shouted from the roof tops. [So is that something the Pakeha farmers can learn from?] They can take on that attitude because operational excellence is all about return on investment. And at the end of the day it depends how much debt Pakeha farmers have got or if they are land speculating, but at the end of the day "keep investing in your farm guys because you are going to make more money and drive production". If they put capital gains tax

on then you watch production go through the roof. And I don't say that as a joke, I believe that. (Manager of Māori farm)

This greater inclination towards long-term planning (several decades) was recognised as potentially one area where Māori could have a positive influence on the long-term viability of the New Zealand red-meat sector, which some feel is currently hamstrung by short-term thinking.

[What do you think Māori red-meat farming really needs to achieve for Māoridom?] It needs to provide or be one of the providers of a positive influence in the greater red-meat strategy. Because our horizons are so long-term we can perhaps have some influence in avoiding some of the short-term thinking. We have to get a sustainable industry, and I hate that word, I am so sick of it, but something that is going to have longevity and is going to deliver back to all of the stakeholders. So we need to be able to first of all have real understanding of what the sector is, what the value chains really are and how that all works. I don't really know the answer to be honest. I just know that we can provide influence. (Māori, chairperson)

A non-Māori manager of a Māori-owned station had observed the long-term strategic planning of the corporation he worked for. This was one of the interesting differences he had seen between non-Māori and Māori owned farms. He noted this long-term thinking meant that Māori would invest more heavily in the property today than would usually be the case, because they were always taking a longer view when making business decisions.

The other interesting thing I have found with them [Board members of the farming trust] that I haven't seen as much is they have a very long-term view on everything. They plan for a very long future and that is interesting because in other businesses that I have been involved with it is more short-term gain that they focus on. Whereas these enterprises are very focused on three, four, five generations down the track so everything they do now is based on what they feel might be to that advantage. They do 50 or 60 year plans, it is interesting. They seem to spend a little bit more now up-front doing work that may be considered over and above what you would normally consider but at the end of the day it has worked out that it would need to be done long-term anyway. (Manager of Māori farm)

Another less common theme that a few Māori participants referred to relating to this long-term view was the Māori approach to caring for the land for future generations, which tied in with the strong need in New Zealand farming to be environmentally sustainable.

I think we add value in terms of how you combine conservation and commerce with environmental stuff. (Māori chairperson)

Although there was a cultural norm for Māori to care for their environment they also faced the pressure of needing to provide a return to their shareholders. This meant that while it was important to trial farming practices that were kinder to the environment they had to also be cognisant of science and widely accepted mainstream farming practices that made their properties more profitable. The following Māori farming corporation was having some success with more environmentally friendly approaches to growing better pasture, but they were also involved in scientific research to ensure that they also developed understanding around what was needed to drive a profitable business. It was suggested that there was potential for Māori farming to help lead the way in finding that important balance between economic prosperity and environmental sustainability and along the way, straddle the divide between science and more cultural and

spiritual values.



I say you have to give it [alternative fertilizers] a chance because philosophically it sits, it feels right so we have to give it a shot and we have done half. I was out at our farm the other day and those hills honestly there was clover and you could see the change. And even our farm advisor, he was here the other day and he said I have to admit this guy is doing a good job. So some of those less mainstream things I think Māori are good at seeing because there is a cultural fit. There is a Māori group working together with Ag Research on this. We get chucked off at - about it being snake oil but it actually works for us. So how do we actually then look at the science that is going to properly justify or demonstrate that this isn't silly stuff. So there is quite a strong little group being led by Ag Research at the moment working in that area. (Māori chairperson)

3.3. Overseas cultural connections

A few participants suggested that Māori had the potential to contribute significantly to the sector in the area of making global connections and marketing. Among the larger corporations there seemed to be quite a bit of work being done in this area. While it was early days for many in developing international connections there were aspirations to move more this way and take animals straight to market themselves.

It is around understanding the market opportunity, understanding how we re-jig and align our farming system to deliver. We have big stock numbers and if we are smart about it we can actually integrate everything from breeding and finishing, why do we have to supply an animal that is walking around to a customer, why can't we actually take it through to the end of the value chain. [Is that something that could happen?] It is starting to happen. There are currently a couple of projects working on that. (Māori advisor/board member/farmer)

Others noted that as producers they carried all the risk and they wanted to move more into developing markets and gaining direct access to consumers. Some participants were talking about making this closer connection with customers and using their cultural capital to wrap appealing stories around their products. However there was a lot of work that was needed before this could eventually be achieved. While a few suggested they would enter markets independently others were keen to work alongside their processing partners.

We carry all the bloody risk because we are producing animals and then it goes to a processor and then the processor can shut down his operation based on orders and if the orders are slow coming through he will shut down, "our stores are full to capacity, we can't move anything", so why keep slaughtering. So you have still got to carry on feeding those animals, the SPCA moves in unless you have got some low life here who is going to offer you 50% less. You are vulnerable; you can't carry them through because it impacts on your breeding season for the next year depending on the season. So you carry the most risk. And Māoridom hasn't woken up to it. Our business is high risk, we are not in charge of the processing, and we don't own the markets. (Māori, chairperson)

So there is a huge opportunity there and within our group I can see us using our scale of 14 farms from about six or seven trusts, I can see those trusts saying "let's buy

collectively and totally integrate our system". So those are the things that we are in that longer vision thinking at the moment and then it is about how do we access the customer value chain alongside our processing partner with a product that has some special story wrapped around it. (Māori, advisor/board member)

This Māori leader indicated they needed to focus on the bigger picture, as that is where the greatest opportunities lie for Māori.

[So you see a good long term future in the red meat sector?] *Yes and all we have to do is understand the global village we live in now, the global population growth, the need to feed the people of the world and I have been to China a couple of times, once with the PM just last year and just understanding our place in the world and our opportunities. We could be doing things so much smarter I think and you do things so much smarter when you understand where the bigger picture is and what your role in it is. So is there a positive future for red meat? Heck yes. We have just got to sort ourselves out here. It is like we all need to get in the helicopter and just get up, lift our heads up a little bit and see what the bigger picture actually looks like. And there are a lot of people who are doing that but there are still a lot who think “it is still about me here right now” and that is absolutely understandable. But I think that is our challenge to get people to put their heads up higher.* (Māori chairperson)

This same Māori leader also suggested that Māori had a natural ability to connect with markets in the Asia/Pacific region. For example, on a recent trade trip to China with the New Zealand Government they had experienced that Māori had an ability to closely connect with the Chinese around similar cultural practices and understandings, and this had the potential to provide a strong platform for increasing access to markets for red-meat products.

[What are some of the areas where you think Māori are doing quite well at the moment in red-meat farming?] *One of the things that I think is undervalued and maybe not even recognised is this whole global village thing and the cultural understanding that Māori have in that bigger world. Everyone has got a horror story around China, “they will rip you off, they will do this, they will do that” - and they probably will too if you don’t have a common base.* (Māori chairperson)

She went on to tell a story that illustrates the wider role that Māori can play in helping to make more solid connections with Asian markets.

We were in with all of these flash big wigs in the Chinese Government and Pita Sharples gets up with his interpreter and he goes, “5000 years ago we lived here, this was our home too, so this trip is like the little brother coming home to the big brother”. And then he looked around and in that really classic Māori humour said, “so I hope you fellas have been looking after the place while we have been gone”. And it just erupted and all of a sudden that pomp went...So a lot of that had to be worked through but I think there is a real opportunity for the cultural alignment to happen in a global sense. Māori have got something quite special there that can be better utilised and it is just that whole cultural understanding. [Parallels with Asian cultures?] Yes huge. A bit like us if you want to get anywhere in China you had better have those family links. Well actually that whakapapa stuff there is no value to it. So as we start to globalise and work in Vietnam and Malaysia and Indonesia and even in South America I think you will find those cultural relationships, that cultural communication stuff, Māori have a big part to play in that if we want them to. (Māori chairperson)

Farm segments

■ Top tier

Participants in this study generally put Māori farming businesses into three categories. They identified a very small group of successful Māori farming corporations in the top tier (those looking at the horizon). These Māori-owned businesses tended to be large - 30,000 stock units or more - they often included a number of farms that ran integrated systems allowing them to breed and finish all or most of their stock. Some of them worked right across the value chain and were actively linking with markets in overseas countries. Many of these operations were able to access the resources they needed to be successful and were going from strength to strength. They also tended to think more strategically.

These guys [Top tier] are probably more about understanding value chains, more at that end than the farm end because typically they will know about the farm end and the farm system stuff. But where this knowledge gap may be is around this awareness around market value chain. And the other thing that we have said to them is that they are seen as leaders. So having the success stories and the battle scars and telling those stories is important so that is another role for them. (Māori leader)

We use Price Waterhouse Coopers and the thing is they are costly but ultimately because we run such a big operation we are running all the time and we need to make absolutely sure that they keep us safe. [So quite a strategic business focus?] Yes, plus they are aligned to a number of other business groups where they can open doors. [What do you mean by that?] Possible joint ventures and that sort of thing; finding synergies with other groups. So there are some really, really good opportunities out there to do that type of thing as well. (Māori, chairperson)

■ Mid tier

Then there was the mid-tier of Māori farming businesses - these farms were still quite good sized farming operations but there was a mix of different types of farming operations some would be one larger farm and others would own several smaller farms and these would not all necessarily be sheep and beef farms. This mid-tier had a range of farms, from those well-run through to some that were struggling. The ones that were doing better tended to have better governance structures and were able to attract top farm managers. Some in this group were finding improvements by working with other similar sized farms in more integrated ways. It was suggested that, in general, the more scale the farms had the more likely they had the resources to ensure they were being well managed.

Then you have got what I call the tier twos, these are the guys who have started to get a handle on what drives value in their businesses around productivity, their governance is sort of okay but they might not fully understand what drives value in a mixed livestock

entity and they know that they have to do something different so there is an awareness there. Sometimes the want is not there. [Can you give me an idea about the typical size of these operations?] You have a real range, probably from 500 hectares plus. An example would be [name] Corporation they have got two dairy farms and a mixed livestock unit, so what they were last year was a finalist in the Excellence in Farming Awards. Even being a finalist they recognised there is some way for them to go still. So what they have done is come in to one of our prototypes and these are our target group at the moment around mixed livestock. (Māori leader)

But generally the bigger the operation the better it is being administered so as the size comes down and when you get to less than say 5000 stock units that is where the potential lies that is being unrealized simply because they haven't got scale. (Māori, advisor/board member/farmer)

Some Māori farmer businesses in this segment were also noticing what was happening in the tier above them and it was motivating for them to see what was possible once they established good governance, scale and started to invest in their operations.

■ Bottom tier

In the bottom tier there were many small uneconomic blocks of land that were just surviving and, in many cases, making a loss. These tended to be blocks that were less than 3,000 stock units. The massive challenge for this tier was a lack of scale. Their small size meant there weren't the funds to invest and develop the land. In some cases these were family-owned and run farms that were happy as long they provided some jobs for the whanau. In other cases they had multiple absent owners. It was thought that productivity gains on some of these farms would only come when the next generations either took over the land or the property was sold.

You need to understand the drivers. If I take our own family farming operation and run it through our benchmarking programme I would never ever put my name on it. But if I look at the things that I guess we value while my mother is alive, production and profitability will not be high on that list. All she wants to see is that we retain the land and employ family. Tick the boxes. My cousins have a similar property and it is exactly the same for them. All they want is a holiday destination, there is a nice big homestead, employs a manager, 1100 hectares and they all go there and enjoy it. They are a little bit interested in some of the other stuff but they are not pressured to change, they have got no real need to increase profitability at this stage. At some point that will change. I am predicting it will probably be a generation. Because suddenly instead of 10 shareholders there will be 20 or 30 they have to deal with. And then 70 or 80 and sooner or later someone will do the maths and say, "hey let's sell up and put this in a bank". (Māori advisor/board member/farmer)

For many of these farms the administration costs of employing a farm manager, paying advisors and paying for other professionals' services, such as accountants, meant there was little left over for developing the property and increasing profitability. This also meant they were reluctant to invest to develop the property in case the returns to cover the investment didn't materialize.

But what happens with the smaller dry stock properties is all the profit goes to paying the

professionals and there is nothing left over at the end of the day. And if they haven't got enough money to pay the professionals they don't put the fertilizer on. So when times are tough like they have been over the last few years for dry stock we looked at a Māori Trust around Te Kuiti here who put a property up for tender, they had been farming themselves right through and they are struggling to carry on, they went to tender and they hadn't put fertilizer on for eight years. And there was no way they could justify running that thing as a standalone unit. They went to tender, got a whole lot of proposals and decided they wanted to carry on farming themselves. But obviously at some stage some people have to because they can't afford to continue. Ideally there are plenty of other Māori Trusts around here that could lease it from them. (Māori, advisor/board member/farmer)

The thing is a lot of them have only got a very small block of land and they can't afford to take losses. If they take a financial hit they can feel the impact immediately. It takes them a long time to recover. A larger farm can sustain a financial hit. It is like a bee sting, they don't feel it, it is not going to impact on them. But you get the smaller farmers if they change their practices and change their protocols and if it doesn't pan out the effect could be devastating and they feel the ripple immediately. So those are the bottom feeders that we have to be mindful of. (Māori, chairperson)

If the industry is serious about helping Māori farmers lift their performance, initiatives would need to be targeted to each of the three broad farming segments. Further work would need to be done to understand each of these segments in more detail and better inform tailored strategies for the different types of farming operation they each run.

Hurdles for growth

In general, the obstacles that Māori farmers face when trying to increase their farm productivity and profitability were similar to the rest of the red-meat farming sector. When it comes to considering how the RMPP can work to assist profitable growth among Māori red-meat farming, it is more a matter of emphasising some areas rather than needing an entirely different approach. All groups in red-meat farming are working to turn grass into protein and they all face similar challenges. However this research showed that there were several areas (while not necessarily unique to Māori farming) that appeared to be more of an obstacle to Māori farmers than their Pakeha counterparts.

5.1. Governance

Participants felt that one of the main needs for development in Māori farming was building more skills in governance. Some felt it was the 'greatest challenge' they face in Māori red-meat farming. For Māori to develop further in the red-meat sector change needs to be driven from the top. If good experienced leaders could show the way, others would follow.

[What specific areas do you think the Māori red-meat farming sector lacks skill?] *I think our greatest challenge is the shortage of good governance skills because I think if you have a good captain, he sets the direction and sets the pace and everyone just hops on board and follows. And because we don't have good governance we have less than optimal on farm management, we have less than optimal low order staff performance and it just escalates.* (Māori advisor/board member/farmer)

[What do you think are the biggest obstacles to Māori farming reaching its full potential here?] *I loathe to say it but for most of it, it is just good governance. People have been trying to get Māori into governance for years. I have been a big pusher of that – 40 years I have been on this farm – and I have been involved in heaps of governance things.* (Māori, chairperson)

[How about down on the farm level is there any key barriers or is it just the same as mainstream or Pakeha farming?] *Farming in general with sheep and beef there is a huge issue around skill sets. It is hard to find skilled guys to run a really top end business. And with Māori farming if the governance is not right they don't have the right management team in place, they don't know how to manage the management team and therefore the whole thing falls down really.* (Manager of Māori farm)

The building of governance capability was considered important so Māori corporations could move away from being too reliant on external professionals running their businesses.

When you have got low capability within the owners or the shareholders a lot of these places just get run by the farm advisers and that is not good. When I first got onto the

[Name] board that farm was virtually run by the accountant and there is probably still a lot of that happening. So those are the big opportunities out there. (Māori, chairperson)

Some of the Māori corporations were large businesses with assets totalling tens of millions of dollars that in mainstream businesses would be run with directors with considerable experience and governance skills. However there were some examples of these large entities being run by directors without the necessary skills or experience.

Some of the other trustees that sit at our table, I have got four of them that are unemployed, what the hell do you do with that. They are living from day to day and making major decisions. We are worth \$90 million and have no debt. (Māori, chairperson)

My brother on their board, he is a farmer, he has got 20 sheep and we are talking about a million dollar business. I am going to get him in there but he actually isn't well equipped for that position and it is how do we provide the people elected with the skills and the tools that they need to at least discharge their duties in a way that takes the farm forward. (Māori advisor/board member/farmer)

There are seven of us and when I think about that board there is probably only two with any tertiary qualification and one that is a business person in their own right - plus a lot of public servants. So there is a level of expertise but it is not that high-level governance stuff that you would expect on an entity that has a capital base of about \$130 million. If you put that in a Pakeha world you would have a different set of skills. (Māori, chairperson)

Much of Māori farmland has multiple owners meaning there is a greater need for strong governance than required in the standard owner/operator farm models. Some felt that Māori also have a history of electing board members along family lines, or the most popular being elected, rather than selection based more on merit.

[If the industry is trying to lift the performance where should it focus?] For all three tiers of Māori farmers the most important part is to actually get good strong governance. So what we have in the Māori Corporations and Trusts arena is that we have absentee owners. So it is not like your owner/operator who is on the farm, wakes up in the morning, turns on the rural reports, reads everything to do with everything in the industry and then goes out and does it on his or her farm and lives and breathes it. What you have is you have a structure of somewhere between three and seven people. (Consultant to Māori farming)

And there is another capability gap in that whole governance role. There is a lot of good stuff that is happening and being done but there is still a lot that needs to be done there. Māori elect their boards often on whakapapa rather than skill; so on who their families are. (Māori chairperson)

[How do those structures work, are those guys elected?] Generally they are elected so it is a popularity contest really, if we were critical about it. (Māori advisor/board member/farmer)

In many cases the absent owners who were on the board did not necessarily come from farming backgrounds and therefore were not immersed in the industry. This meant their ability to make good governance decisions within a red-meat business was limited. Without a depth of sector understanding around the table many board members were forced to rely on the advice of external advisors and supervisors and the quality of advice they could access was variable leading to some farms following sub-optimal paths.

The majority of board members on Māori farms have never worked or lived on a farm, they all have their own jobs and invariably the majority of those have nothing to do with farming so they are not in the industry. In the past a lot of the committee members or board members probably worked on the farms, lived in the farms, were in the industry and had knowledge of the industry and that in my view is no longer the case. So that to me is the biggest challenge. Once you have strong governance in place that understands the industry, they can provide good leadership and good direction from which management hopefully go out and do the business for them. So because of the governance issues, in my mind they default back to the likes of ourselves and our supervisors and managers and you get a varied level of competency probably in all three.
(Consultant to Māori farming)

Those in governance often don't have any skills around farming in modern day terms.
(Māori, advisor/board member)

They are starting to understand that the need is beyond just teaching them how to read and write, read financial statements, understand it, understand their obligations if they are a trustee or a board member, to actually understanding the issues and the value drivers in the agribusiness sector. (Māori advisor/board member/farmer)

■ Building industry knowledge

Participants described a range of activities that were in place to lift governance skills among Māori farmers; however there was a need for more tailored training that was specifically designed for Māori farming. In response to the the lack of farming related knowledge around the table, one participant talked of a pilot that was in place for training Māori leaders to understand both governance and the industry they were a part of. Part of tailoring governance training for some trustees on the smaller blocks was developing affordable and local governance training programmes as most mainstream governance training was too expensive and mainly offered in the main centres.

We ran a pilot last year of two workshops and it was targeted at governance, it was a governance workshop but it was not about the art of what is on an agenda it was about, what is the industry that I am in? So we had someone talking on farming systems, we had someone talking on policy and why they have to keep knowledgeable on what the government is trying to do and the impact that that could have on them. People, leadership, markets and financial. So all of that was designed around giving them some understanding about what is the industry that I am in? And that was well received so we are running another two this year and we have got an application in to sustainable farming fund right now to roll it out across the whole of the North Island over the next

three years if we are successful. (Consultant to Māori farming)

We have heaps of programmes run for Māori but it is not a continuing programme. To go to IED for most Māori farms is just too expensive and what I tried to do a couple of years ago was get the Institute to run a programme here - Institute of Directors to come here and actually run the programme from here. The big courses are ten days or seven days and that would help with the funding - they wouldn't have to pay for accommodation while they are away and feel more comfortable at home if you are studying. [How come that didn't come off, that sounds like a good idea.] It was but as I said it is just too hard because depending on how many people they got here they didn't think they would have enough to fill a course. Therefore immediately you are on the back foot because you don't know until you advertise. So it was like chicken and egg. And I am just saying that from my own experience of having done heaps of governance, been on heaps of governance things, I know it has just been so beneficial for us with our farm. (Māori, chairperson)

There was a need to get more Māori into farming at the grassroots so they could ultimately progress into leadership roles and bring that farming knowledge to the board-room table. Māori were often involved in several different trusts or farming operations, which meant that if the skills of one operator or governor were enhanced, there was significant potential for those skills to filter widely through the industry.

My view is that if you can get Māori people working on the farms ultimately those people will become the trustees and they will know what they are talking about. So they will progress through to management. A good Māori farm manager may not be a trustee on the farm he is working for, but his family could be somewhere else and he will start to participate in what is going on there and that is why I think it is really important to get the Māori people in at the grass roots. (Māori, advisor/board member/farmer)

However others acknowledged that in some regions over the last few decades there had been some significant in-roads towards improving governance ability in the Māori farming community.

When I started working down the Western Base of Taupo in the early '80's some of the trustees just had no idea whatsoever. They had no background or skills; they were just senior people in the shareholding group. They totally relied on their professionals to run the properties and that is the way that it was and nobody could challenge them. But that has shifted now big time. (Māori, advisor/board member/farmer)

While there were signs of improvements in Māori farm governance, there was still a long way to go to get some boards to move towards good practice. One example was the use of independent directors. This advisor, who specialised in working with Māori farming organisations, noted:

There are two things happening: one is that we are getting more qualified or better qualified trustees coming forward so the standard of governance is improving; there is also quite a bit of capacity-building going on, so where previously most Māori entities were supervised and administered by a consultant, more and more of the trusts are now taking control of that. They may still have a consultant involved but the trustees expect to be directors just as they would be if it was a company. (Māori, advisor/board member/farmer)

One of the blocks I am involved with, they have been innovative enough to bring in independent board members. That is the only client I have got that has done that and so they have recognised that they actually need to bring in that expertise because they don't necessarily have that within the whanau. [That must be quite a hard step for some groups to make?] Yes it is because I have suggested it to some of my other clients and they see it as a sign of weakness as opposed to a strength. They say, "that shows we can't control our own land". But I haven't been able to convince them that it is not a sign of weakness, it is actually good governance and you look at a lot of successful businesses they have that requirement doesn't matter what industry they are in. (Consultant to Māori farming)

This same advisor went on to suggest a more practical approach for building governance capability in Māori farming, saying that:

Long-term the appointment of important governance with skills to some of these blocks would be tremendously beneficial, and that doesn't have to be non-Māori. I have a view that Māoridom could go ahead if they handpicked five or ten really skilled people who wanted to have governance roles with the blocks. Because I think you learn a lot being around the board table with people as opposed to being in a classroom. So you put some of those people into those blocks as independent people and not only will they then be imparting their knowledge and skills into those blocks but they would build a really good CV, which would then make them ideal candidates for industry positions. So they would then, I believe, be able to influence industry more from the inside than from the outside. So I think there is a win/win for both if people had those skills not only would they be benefiting the land blocks but they would be creating their CV which would get them into more influential positions and become the professional directors. (Consultant to Māori farming)

This farm manager of a large Māori corporation suggested poor governance prevented some Māori-owned farms from accessing the much needed capital to lift their performance. He felt that a lack of capital was a significant impediment for Māori farming becoming more productive. He suggested that evidence of good governance would go a long way to securing access to much needed development funds.

A big issue for Māori farming is their lack of access to capital in a lot of cases, not all cases, a lot of cases if the governance was sorted that capital would become easy. [When you say, "would become easy" is that because the banks would have more faith in them?] Correct. (Manager of Māori farm)

5.2. Human capability

■ Need to build human capability in the sector

Similar to the red-meat sector as a whole, Māori farming also struggles to get young people interested in farming. This was an issue right across the red-meat Māori farming sector. In modern farming there was a need for a wide range of on-farm capabilities ranging from good practical stockmanship and pasture management to business management, human resources and

strategic planning skills. In particular, the larger corporations needed a range of skilled staff at different levels.

For us, I am sure you know yourself; it is very hard to get young farmers interested. Our farm is run with 11 people and when we bought the other farm we added another two, so that is 13 people plus our general manager, which makes 14. (Māori, chairperson)

This participant felt that the lower ranks of farm workers were well populated with Māori workers; however suggested there was a dearth of talent in Māoridom to fill senior management roles.

There is a significant gap in skill sets in that senior manager, farm manager role. We have got a lot of Māori now who are getting better at governance, who are up-skilling and training. We seem to have a lot of Māori who are engaged as shepherds, fencers, shearers, that low-level farm skill stuff but when you get into this farm management where technology is playing a bigger role there is a dearth in there and out here we were looking for a farm manager, I think [Name] has been with us five years now. We ended up with 20-odd applications, I think there was only one Māori and he didn't even get through to the final interview. This is for a general manager handling 18,000 stock units, managing staff. And we have seen it at our other station as well. So we have six managers and only one of those is Māori. We are not saying that is bad or anything, all we are saying is that as you move up the ranks we are a little bit invisible in there. (Māori chairperson)

This farm manager also agreed that good farm managers were hard to find. However in his view it was also difficult to find staff to undertake all the different roles on a sheep and beef station.

[You have got 14 staff here, in terms of finding staff is there any particular level that are harder to attract?] They are all pretty tricky to find at the moment to be honest. It is bloody good to find highly skilled farm managers, they are really hard to find. [Are there any programmes in place or things that could be done to help bring along more highly skilled farm managers?] The answer is that something needs to be done but I don't know what the silver bullet is yet. We are actually spending a bit of time trying to work that out ourselves. (Manager of Māori farm)

This farm manager was concerned that there was too much focus on academic ability and not enough on basic practical skills.

There are probably a number of people coming through who have got academic ability but it is combining the academic ability with practical knowledge and skills. I think we are in danger of having a lot of skilled people but without the ability to implement those skills and actually implement the practical side of things. (Manager of Māori farm)

A lack of key basic farming skills was not limited to Māori farming. This farm manager of a large Māori corporation had observed a scarcity of feed budgeting knowledge among sheep and beef farmers. He noted that even seasoned farm managers continued to rely on guess work and that this lack of accurate planning was a fundamental issue that prevented many farmers from achieving good profits.

[Are there any particular skill sets you think are missing more than others?] To be honest I think the key ones that are missing that we see are basic feed budgeting, knowing how to grow pasture, knowing how to harvest pasture, understanding the biological system. That to me is by far the biggest skill gap - even guys who have managed farms for years still don't understand that. [When you say understand the biological system can you explain that?] They don't understand in-depth say a rye grass plant or doesn't really matter what plant, whether it be crops or grasses, they don't understand how they grow properly therefore you don't understand how to harvest them correctly. A lot of these things are done by eye and done by experience. Some guys are very good at it but if you try and get a top profit you have to understand a lot more about it than just feel. That to

me is a fundamental thing right across the sheep and beef industry not just Māori farming. It is a rare thing to find somebody who understands or has those skill sets.
(Manager of Māori farm)

■ More coordinated and targeted training for Māori

Some of the large corporations we spoke to were being proactive in trying to address this human capability gap. Participants suggested that it was difficult for Māori to get into some of the more prestigious agricultural schools and approaches were needed that were more tailored to Māori with a range of ambitions for a career in the red-meat sector. This had led to some of the Māori corporations investing in their own training schemes.

We have recognised that they are not coming through so we have a scholarship that works in with Taratahi that tries to bring them through to level four, so that is a three-year programme. That doesn't give them the experience proper, but it gives them a bit of a taste and a qualification that is starting to throw them in that direction a little bit more solidly. You look at Smedley Station, you are lucky to get the token Māori who makes it through because it is a stringent process to get in. Smedley have over 100 young people apply and they are normally only taking 10 a year. So when you have Māori, the ones who are going into the primary sector hate school anyway, they don't like all of that stuff so they are never going to get through or it is more difficult. So you are seeing a lot more of the corporations start their own training entities. (Māori chairperson)

Obviously we have got the Waipaoa Training Cadet Scheme here now and that is great, but I do question the likes of that and Smedley, they are looking at taking the cream but what about those who actually want a career in farming, but they are never going to be a general manager or a manager but they want to be a good head shepherd or really good at what they do. I just don't see where those people go. We have got institutions in place that are wanting to take the academically gifted and that but I am not sure that we have got the institutions in place that say I want a career in this industry but I think my level is only going to be to here. Where do they go? How do they get there? Do they get there moving around jobs, I don't know. (Māori advisor/board member/farmer)

There are programmes in place to train people in agriculture but there are not that many programmes in place targeting Māori people and there is a still reluctance from young Māori people to go into the mainstream training structures. I know of a number of Trusts that are looking at how they address that situation. (Advisor/board member/farmer)

When prompted there was agreement that there was potential for the industry to support Māori corporations with developing training tailored to a Māori context. There also seemed to be a need to bring a more coordinated approach to developing human capability in the red-meat sector, particularly as there were several corporations working in isolation to address skill shortages in their industry.

[In terms of those corporations starting their own training entities is there anything the industry can do to support them more with that?] I think it is something that can be really looked at. We have started a training programme, we work with a local provider and it is marae-based, they use our farms as their classrooms. And I know where there are a couple of others; there is one in King Country that is doing it, one in Wairau I think is starting. So Māori are realising that there is a gap of our own coming through because they can't get into these flash places that have the cred. So you are right that is probably

a place that they might be able to. (Māori chairperson)

We all know the capacity in this space is pretty scant. So there are bugger all people out there is what we are finding. So what we are saying - and this is our strategy but it should be an industry-wide strategy - unless you have got a skills acquisition strategy, a capacity acquisition strategy, particularly because Māori are growing in these sectors, then we are bugged. If we don't have a strategy around how we access and tap into knowledge then it isn't going to work. Like, for example, with most of the guys I talk to in our membership two things come up: governance comes up, and if it is not number one or close to it, then it is finding the people - that is critical. That whole hook up with Beef and Lamb and Dairy New Zealand is incredibly important of course. (Māori leader)

Some were offering scholarships; others were teaming up with local training institutes to run programmes for young people to help them develop the required skills to work with sheep and beef.

We are trialling a scheme at the moment, which worked around getting young people at school age interested in farm and agri-business. There was a successful pilot down in Canterbury. We are keen now to take that nationally so we are talking to others around that. We have already got Fonterra supportive and Dairy NZ and Beef and Lamb. And then there are a few other things. But we are starting to land on what some responses might be for that sort of space. We have got Ballance Agri-Nutrients saying "we would take a couple of people in their holidays". (Māori leader)

There was some disquiet about the current formal agricultural-based training that was offered in the sector. Some felt the courses were not necessarily targeted at the right level and didn't necessary cater for the really high performing farmers. There was also some mention that more was needed to ensure the skills learned in formal training were structured in a way that ensured there was practical implementation of the skills once back on the farm.

I can't think of anything off-hand because we can send our staff off to Ag ITO courses, but most of the staff on some of these really high performance operations find them dead boring and they don't get the skills that they really want from having a ticket from Ag ITO level three or four or five, and I can see their point. (Māori, advisor/board member)

I have heard at the board table from a couple of managers now, some disquiet about the Ag ITO programme and whilst we are sending our employees off to those programmes for one reason or another, they are coming back and not actually implementing any of that in the work place. I have also heard from other regions that Ag ITO does a good job so there are obviously some inconsistencies with regards to those programmes. The feeling I am getting from some of the managers is that there needs to be a bit of a rethink on the delivery of some of these programmes and how we actually ensure that what is learnt in the classroom is actually implemented in the work place. So I think that is actually a challenge. (Māori, advisor/board member/farmer)

■ Better promotion of industry at school level

There seemed to be an abundance of scholarships being offered for young Māori to give farming a go, but not many of them were being taken up. This lack of interest and uptake suggested additional work was required to promote the industry to the next generation in a more attractive way. Part of this was bringing more coordination into the industry and showing how young people would be supported in the early stages of their career on the farm.

The guy I was talking to today said PKW was offering \$5000 scholarships and no one would take them up. Aotearoa Trust - they have got a large scholarship and I think they have got \$10,000 that they receive from Ahuwhenua that they have had available for scholarships for about eight years and no one has taken it up. So every year in their annual report they say we have got this scholarship available and no one applies for it. So the recruitment into training has to be much more targeted. In secondary school when they are making their decisions about further education, tertiary education, the non agricultural tertiary education providers are much more convincing or compelling than the agricultural sector, which I think is having an impact on not just Māori people but the non-Māori side as well. (Māori, advisor/board member/farmer)

[Training for young people?] What I don't see is all of that being connected up at the moment. It is pretty fragmented and a lot of our members offer scholarships but it is the same deal, the recipients aren't really tracked and no one is providing them mentoring. So often the scholarship spend is quite ineffective. (Māori leader)

It starts at the schools; you really need to get to the career advisors. (Māori advisor/board member/farmer)

Many felt that for too long farming had been portrayed in the classroom as a fallback option for those who couldn't succeed elsewhere. They suggested that schools and teachers needed to be challenged and made more aware of the fantastic and lucrative careers that were available in the red-meat sector for young people. There was a definite role for the sheep and beef industry to better promote the career pathways and opportunities to young people at schools in order to put sheep and beef farming in the mix of career choices for young Māori and New Zealanders more generally.

I think as an industry we need to change our perception about the qualities that we need in our farmers. Farming is not a game for dummies and yet I know when we talk to local secondary school teachers there is a line of discussion that goes along, "here are our problem kids, just take them away" and you say to them, "he could be running a multimillion dollar business" and their jaws drop and they don't believe you. And you sit there and think, "you have got absolutely no idea". [So who should be in there trying to change that perception and what are some ways to do that?] I look at what Dairy New Zealand did when they were recruiting people to the dairy industry five or six years ago. I think it might have been an engineer who went farming and over so many years he was share milking and he pretty much went from a \$40,000 a year job if you worked out the maths he was running one million plus dollars of assets with cows and plant etc. What is needed is a demonstration of the pathway and the opportunities. (Māori advisor/board member/farmer)

member/farmer)

We have got to start right at the schools - career advisory, career choice making in schools, and promote it way differently from what it is doing now and what it always has been. We always had the people like myself, who all you ever wanted to do was be farming but farming needs to be held up as being a much more exciting professional career choice where the rewards can be as great if not better than a lot of other professional occupations. It has to start at school level. (Manager of Māori farm)

So I think that is actually a challenge. There is definitely a challenge about how to get more people into the industry. I think the industry probably undersells itself - if I look at what our managers are expected to do from a technical point of view with running budgets, running Farmax, running Cash Manager, running all sorts of other technology within their business - I think they undersell what the career opportunities are. (Māori advisor/board member/farmer)

Participants felt that the industry had to develop programmes to help build excitement around the industry, arguing that a career in red-meat farming needed to be elevated into the top echelon of career choices among school leavers. Part of doing this was communicating to high school students the varied and exciting nature of sheep and beef farming.

So schools have a fair bit to play around that. I don't know what interactive tools can be introduced into schools to give farming that level of excitement that a guy who might have gone to medicine might want to go to farming instead or into the agribusiness sector. (Māori, advisor/board member)

I think we have to get away from the image of, "I like farming because I like working outside". We have to avoid the description of the job being someone who enjoys working outside because that sets the scene there and then. It is not about that, we need to be holding it up. I imagine in my own head going into a group of students and putting a daily task sheet up on the whiteboard saying at 9 o'clock I was an agronomist, 10 o'clock I was a financial analyst, 2 o'clock I was a marketing expert and at 4 o'clock I was something else and then ask them to guess what the occupation is. I would say no one would guess it. That is what farming is today, it is all of those things and more and you have to get people asking themselves, what career do they want? (Manager of Māori farm)

This same participant went on to say that the industry needed to show young people the potential to have a rewarding career in sheep and beef farming. He felt strongly that the end goal of farm ownership was not necessarily the only way to have a successful, interesting and meaningful career in sheep and beef farming. He argued that professional managers had the potential to help bring greater profitability to the industry as their focus would be solely on running a profitable business and would not be distracted by focusing on farm ownership, or even hamstrung by what they could achieve on a property by the level of debt (and related stress) that would likely come if they borrow a huge amount to achieve farm ownership.

I think we have to move away from farm ownership as the end goal. The end goal should now be professional management or professional agribusiness. Because that is constricting everything an individual does in a career of farming if he has got ownership as the end goal. It is not to the benefit of the broader farming industry. Then when they

do achieve that end result they are not always in a position to be in the top bracket because of the constraints - mostly financial or through economies of scale. Doesn't matter who owns the land, it is how that land is worked and how the production on that land is generated to the benefit of the whole industry. I just think there is so much time wasted. Not everybody that goes into banking, becomes a top-level banker or even owns the bank do they? We have to look at farming professionally and everything that goes with the professionalism of other industries we have to take a leaf out of those industries and plant it into farming. You don't have to own the company to be a successful businessman. (Manager of Māori farm)

■ Celebrating success

Part of building the excitement around a career in farming is celebrating success and promoting role models so young people can see what could be done. There needs to be an industry-wide strategy that penetrates right into the urban areas where the best and brightest can be found and enticed into farming as a valid career choice. The Anuwhenua Trophy is an example of how this is being done, but more innovation and ideas are needed in this area.

You have to have those role models, you have got to be able to have that communication strategy out there that picks up the cool stuff and makes it real for people. It is difficult, there is not a lot of that that happens, because it is more than information sharing, it is role modelling. [So case study articles?] Yes profiling. Celebrating. If we want these bright young ones coming through or we want to grow and develop these bright young ones we have got to have a strategy that is in tune with that and I don't know if we do that as well as we could. [When you say "we" is that something the Māori corporations should be doing?] I think it is an industry thing and the corporations. A focus for Māori, maybe a focus for gender, young women, something that maybe has some reach into urban New Zealand which is growing astronomically, we are going to have to find our people in those places as well now. But if you have got really home grown farm comms stuff people are going to look at it and think, "I don't think so". We need the celebration stuff, it has worked hugely for that Ahuwhenua and that young Māori cadet programme and there is some great stuff that is starting to be shared. (Māori chairperson)

Ahuwhenua is also very positive and it is starting to really come through. But they also run the risk of becoming stale, like a chewing gum how it loses its flavour. You have to look at different angles all the time and reinvent themselves otherwise same old. (Māori, chairperson)

■ Mentoring programs

Building excitement and attracting people into the industry is acknowledged as the first step. However part of what is also needed is a mentoring scheme, especially for the first four to five years, when young Māori students transition from school into the farming environment. A few felt that it was critical for young people on farms to have someone who could support them.

We have got the Ahuwhenua Māori Excellence in Farming Awards. So that is critical, they have got the young trainee programme. The critical weakness is no one keeps track of people. They might get the award and good on you, you are the young trainee of the

year, but the critical weakness is not staying in contact and providing mentors and proving opportunities for these young people. That is what we find is a critical missing link. (Māori leader)

It is important that once the young worker is in the industry, they aren't lost due to a bad experience or not being able to find a suitable job.

We have been trying to put in place training where they have cultural support all the way through, so we have people keeping in touch with them. So if they get to the place where they are questioning whether they are in the right place or in the right job, they have got a mentor with them who can talk it through with them and support them and if the job is not right look at moving them into another job or whatever. Once you get them to the stage where they are starting to really achieve they are fine, it is just getting them from when they leave school through the first four or five years that is the real issue. (Māori, advisor/board member)

I wonder if it is just a group of potential sponsors where there was a bit of a think tank around that concept. I am thinking, how can we get young fellas in and give them support rather than just employ them on a farm, they have a crap farm manager, they are there for a year and they think I don't want to be a farmer and leave. Because if they had a mentor who was there maybe once a month or every couple of months and found out they weren't happy there, you might move them on somewhere else if you thought they had some potential. I don't know if that is an idea that could be fostered through Beef and Lamb but they need good people coming into the industry. They need to be excited and at schools and on the farm training and get that passion back into it. (Advisor/board member/farmer)

While mentors would be useful for ensuring younger workers are retained in the industry, as they moved up the ranks into management positions, a mentoring programme for managers could help to build confidence among this group charged with more responsibility on the farm.

I feel some sort of confidence-building mentorship might help build confidence, especially with young managers. When you get to my stage it is more about having a yarn with your peers and you latch on to different things and ideas they are saying and it is easier, but a young manager who hasn't had the experience in dealing with the situations that we have had through experience, weather events, animal health issues, all those sorts of things which we have all been through - they have all those pressures on them to work through those as well as to perform at a high level making the farm profitable and catering to the requests of the owners or governance of the property. (Manager of Māori farm)

It was noted that not all farmers enjoyed attending information transfer group events and that this segment would be more open to a less confrontational one-to-one mentoring relationship.

Not everybody wants to go to those workshops or has the inclination to do that, and I think something that would help a lot of people, probably managers more than farm owners, is a mentoring system. We have got consultants and people like that who can give us advice, but more mentoring. I think there is a real need for farm managers in particular to have people who are non-threatening or challenging of what they want to do, but more people who listen to ideas and work with people, people with experience. They don't necessarily need to be experts in farming but people who are successful in business who can mentor managers. (Manager of Māori farm)

Mentoring was considered to be common in other industries; however it was thought to be even more important in farming where many worked in isolation. This isolation meant that the opportunity to talk through issues and test ideas were less frequent. It was thought that such a programme would return dividends to the industry.

I know in other businesses like banking they have mentors and things like that and we haven't got that. We work alone, we don't have the network on tap every day and sometimes you have got the idea and even when things are getting a bit tough you might have the idea of what to do but you just need someone who has been through it to say, "yes you are doing the right thing, carry on". So someone to listen to you and give those little snippets of advice that might not be technical advice that a consultant would give you, but it might just be on how to deal with situations and those sorts of things. So Beef and Lamb - they would probably be the go-to organisation because they have got the networks in place and set up. I just know from experience years ago when I was a young manager, I had a supervisor who was so good in the way that he gave me heaps of confidence to try things and go on and do things. (Manager of Māori farm)

5.3. Scale

There is a group of quite large Māori corporations who have the scale to invest, employ the right staff and perform well; however there are many smaller Māori blocks that are hamstrung by their size. Lack of scale is a critical issue for many Māori farms that needs to be overcome if they wish to do anything more than just break even or struggle through farm losses. Māori farms often have additional overheads that traditional owner/operator farms do not have to bear. Additional overheads for these Māori-owned farms include having to employ farm managers, who are normally only employed on larger farms where additional staff members can be carried. There is also the administration costs associated with running a trust that has a number of shareholders. The result is many of these smaller scale Māori-owned farms have limited money available for even basic farm maintenance.

On the smaller dry stock properties all the profit goes to paying the professionals and there is nothing left over at the end of the day. And if they haven't got enough money to pay the professionals they don't put the fertilizer on. (Māori, advisor/board member/farmer)

Some of the blocks are just too small, so they don't have the turn over. They have a huge administration cost, they have the likes of the costs of ourselves, the cost of running the share register, the cost of running a board or a committee, the cost of having an auditor. So if you compare it to an owner/operator they are probably the best part of \$30,000 minimum behind the eight ball before they start. Then they have to go and find a manager who can treat it like his or her own and do a great job. The problem that you have is that if you look at our district in particular when you get into some of these corporations and trusts they are pretty remote. So then you get a question of, how do I attract talent to a remote area that has a lack of infrastructure when it comes to access to schooling, access to opportunities for the spouse, access to even broadband internet? All of the things can add up to making it harder and harder to get a good person on board. (Consultant to Māori farming)

This results in a downward spiral of unprofitability. This participant spoke of the need for working towards more partnerships in Māori farming so enough scale could be established to create

sustainable business units.

The small trusts haven't got enough money to pay flash advisers. Their challenge is to get large enough to participate in what is going on around them on the big farms. (Māori, advisor/board member/farmer)

I think the future for them is that two or three of those small trusts could work together. So it is probably easier to put together the 3000 – 5000 stock unit operations than it is to amalgamate a whole lot of 50 hectare blocks to get together one decent farm. (Māori, advisor/board member/farmer)

It was also hard to find good managers for any farming operation making it even more difficult for the smaller farms to attract the more talented managers needed to lift the productivity of their businesses. This advisor said one way to get around this dearth of talent was to spread it over more hectares by joining together some farms to run as partnerships.

You then have the issue of smaller farms not being able to afford to get the good guys. Can't afford to pay for them, so when you do get someone good I have tried to see how we can spread that talent over as many hectares as possible. And we have created a couple of partnerships in order to try and overcome some of those problems. (Consultant to Māori farming)

■ Working towards scale

This next participant had gone through an amalgamation process, and while they noted it was a brave thing to do, the benefit to their partnership was a much more profitable business. To make sure they kept the wider group on side they annually showed the difference between where they would have been if they hadn't joined and where they were today as a larger partnership.

If you get two 3,000 hectare blocks and are brave enough to approach your neighbour, if they are Māori corporations, to join in with you. I know they say that economies of scale are not the be all and end all these days, but it helps. We knew that we had gone as far as we could on our own so we joined with another trust. Now we present at our AGM every year, the model of where we would be if we were still [farm name] and the model that we are at now with the partnership and how much more profitable that has been. (Māori, chairperson)

There were definite examples of amalgamation helping to significantly improve profits for some Māori farms. However it was challenging to make them work and they took time to get up and running.

They take time, one took two years and that was two successful large corporations in their own right but they had the foresight to go ahead and that has been hugely successful and their growth has been tremendous and we have got a general manager in there who has taken that particular partnership to new heights. Another partnership also took about two years to put together and that was the bringing together of one larger entity and a small one to create some economies of scale and also to spread talent. That one is still going, it is having its challenges but I am confident that it will see through those challenges. (Consultant to Māori farming)

We farm around about 5,000 hectares across the three farms and we have 14 full time

staff members. [How long have you been there?] 11 years. [Are those three farms integrated?] They are three individual farms with their own individual accounts and books but the farms do work together. I have a farm manager on each farm. One of the farms is a finishing farm and the other farms are pretty much breeding farms. We put all the young stock into the finishing farm to be finished and buy 1,500 trade bulls on top of that. [That kind of integration, are you seeing that happen more and more amongst Māori farmers with more than one farm?] Yes it is starting to, which is really good. And we are even starting to see it now with other Māori farmers joining together and pooling their resources and integrating into a bigger unit, which is fantastic to see. [So those aren't farms owned by the same trust - they are separate farms trying to work together?] Yes - we are starting to see quite a bit of that happening now. There is quite a bit of it in the dairy industry and we are seeing a bit of it happening in the sheep and beef sector too, which is really good. (Manager of Māori farm)

To make these partnerships work, this participant had observed that you:

Need a strong cornerstone. There is no point in bringing three weak businesses together and think that you are going to end up with one strong. You need to have a cornerstone which is strong and has the ability to pass that strength through the rest of them, otherwise nothing will change. (Consultant to Māori farming)

Another way that some Māori farms had achieved scale or were working towards it was via integrating their farm with a complimentary block. Some felt there were too many examples of land being used for purposes that it was not best suited to. It was therefore a case of assessing the capability of the land and using it for its most profitable purpose. An example of this was using a hill country block as the breeding unit and combining it with flat to rolling farmland to use as the finishing unit. The challenge for this approach was working through how the partners would share in the profits generated from integrating the farms in this way.

That brings me onto another thing around integration of the ownership of stock. We have a lot of farms trying to do production on country that just doesn't suit it. We have got hill country farms that should just be breeding as many lambs or as many cattle as they can but here they are trying to finish lambs because there is that opportunity to make that little bit extra on those lambs. (Manager of Māori farm)

[When you say working together more is it all of those trust farm combining together?] It is probably going to be a subset. Our family farm works with our Iwi-owned farm and probably helps that I am sitting on both sides of the fence there. But it actually makes sense because if you look at the capability of the land there is some big hill country, our family farm used to be a dairy farm, it has got finishing potential, just marry the two together. The challenging part becomes, how do you share the value creation between the different ownership entities? That is the really interesting part. (Māori advisor/board member/farmer)

Part of the motivation for keeping stock within an integrated farm system was to avoid having to sell animals on to the store market. By keeping animals within an integrated structure between a few farms the farmers could avoid being forced to sell. It was suggested that the fewer times an

animal had to be bought and sold the more profitable it could become for the Māori corporation.

I reckon there should be much more linkages between people breeding stock and being rewarded for it and people finishing that stock. There have to be better systems in place where the ownership of the stock stays with the ownership of the breeder and the people that do all the finishing are contracted to do that. [Is that happening very much?] I don't know. To me it probably is happening to a certain degree. But I think that it is an under-utilised model. Because then it takes away the competition for store stock because the profitability of the stock becomes greater because part of the problem with our store markets is that it is generated by climate a lot of the time as grass grows. If you have a linkage between finishers and breeders and it is all contractual it takes away that artificial market of store stock because there is no need to have it. So the least number of times an animal is bought and sold the more profitable it becomes. (Manager of Māori farm)

We have just changed the focus of the two properties, we had the big property that as a breeding property we were trying to finish lambs, trying to finish cattle and now it is just becoming basically a breeding operation, a high performance breeding operation and all of those progeny that would normal go to the other property. And the other property we will probably be looking at putting some irrigation on that to take the summer dry period out of the equation. So we see the whole integration between the two properties that will add a lot of value and that we will be finishing stock 42 – 43 weeks of the year instead of selling a lot of store stock into the market. (Māori, advisor/board member)

In the following example, two farms that were owned by the same trust had been integrated to take advantage of the synergies possible when one is more suitable for breeding and the other for finishing.

This farm is integrated with another farm that this Trust owns so this Trust is integrated from a breeding farm to this farm, which is a finishing one. So this Trust, I believe we are the only ones [Within their wider cooperative group of trust farms] at the moment that have tried to vertically integrate our farming systems. (Manager of Māori farm)

This farm manager remarked that they were now in the early stages of looking at how they could work more closely with other farms in a wider cooperative group of trust farms to which they belonged. As the range of farms in the wider groups was geographically diverse there was opportunity to move surplus stock between the farms rather than go out to the open market at unfavourable times.

I think it is at the very beginning of stock ownership transfer and things like that there is talk of supply chain development of stock through the cooperatives because they are geographically diverse. So there will be times when we will be able to take surplus stock from one of the other trust farms so rather than go out in to the open market we will be able to source stock from within the group and things like that. So I think all of those strategies are lining up and I get the impression it is just starting to happen now. (Manager of Māori farm)

At another level there were reports of a significant amount of Māori farming land held in small

uneconomic family parcels. Until these parcels could be merged into larger economic blocks the potential of this farmland would not be realised. It seemed the likelihood of this issue being resolved was slim.

Historically there have been several attempts to get them to remerge the land and in a lot of cases, even years later, they still aren't convinced that they have done the right thing because families lose their own piece of land. It is really challenging. One of the trusts I administer, they merged two blocks of land before the land was handed back from Lands and Surveys, so that was probably in the early 80's. So actually before they took control of their land two blocks were merged into one so they ended up with one shareholding list and had no issues and now it is a huge farming operation. But for these smaller blocks it is an absolute mission. We have got a group of trusts over in the Bay of Plenty wanting to join up and we went over to talk to them and probably half the people in the room were sitting on these uneconomic blocks trying to figure out how to get them big enough to do something with. We can't help them but somebody has to. So they are starting to realise that until they find a way that land is not going to reach its potential. So in areas like Opotiki and around the Bay of Plenty a lot of the valleys have got these little blocks of land. Around the East Coast a lot of those blocks have stayed large so there are some very big Māori farming organisations around the East Coast. But equally around the maraes you still find pockets of very good land all cut into little pieces. (Māori, advisor/board member/farmer)

5.4. Disjointed sector

There were definite pockets of Māori-owned corporations that were doing quite well in the red-meat sector. Often this had been the result of collaboration to achieve scale in production and more influence in the market. Many other Māori corporations had the desire to work with others and improve the returns Māori farms could make and there was evidence that quite a few of these were in the process of seeing how this could be done. However it was clear that the Māori red-meat sector was also quite disjointed and it was going to be a long journey to get to where they wanted to be - especially as some, due to their tribal backgrounds, were not interested in working with others and they struggled to get buy-in into some of their own initiatives for increasing productivity.

There are some smart people out there doing smart things but we are not doing it together that is the problem. (Māori chairperson)

[Is there anything the industry could do to support that?] Māori are hard to deal with, they are like sheep. Our secretary tried to get me onto a corporation up the coast as an independent director but because I am not from there, they weren't really interested. It is all that, "keep it to us". But I was willing to do that to be where I could to help. If we can just encourage them to come on board with us we will grow it that way. (Māori, chairperson)

Māori farming had been trying to develop a red-meat strategy that seemed to, at least in part, be about building a brand and collaborating to build large supply. However they were struggling to get

the critical mass to get it off the ground with potential partners being 'picked off' by other meat companies.

I have taken us down the path of joining the Māori Red Meat Coalition. It is a brand name on its own, Māori has a brand so this is why I, for myself, am really trying to push this coalition. For us, we are 54,000 stock units and there are some other big players out there who have got over 150,000 and if we all get together that is a huge number of stock. We have got 7,200 hectares of farmland. [So are you trying to get together so would you get your own plant in place?] No. [So you would have more sway with particular companies?] Yes, and this is why, I am 90 years old [exaggeration for effect] now and I can see that it is happening again. We start forming up together and people get picked off as we go. The meat works down in Wairoa they have got a good deal or another meat company have got a good deal and they start pulling you apart again. And this is what I said to our group, "we have got a year to get this up and running and then we have got something to bargain with, not for this year but for next year's season". And this sadly is only the big players that we are looking at. There are not many of us, there are about 10. (Māori, chairperson)

Not only did there appear to be a lack of coordination within Māori farming when it came to information transfer and improving on-farm profitability, it seemed that historically there had been a lack of coordination among other mainstream bodies trying to work more with Māori.

The other thing I wanted to mention to you is that we just need coordination in this space. We have got MPI, the Māori Unit, running around and I met with them the other day running around all over the place to try and support things happening. And a key message is that we have to have coordination around this space. (Māori leader)

However, there was evidence that Beef and Lamb New Zealand was working to engage more with Māori farming and looking at ways in which they can support the development of greater productivity within this sector of the red-meat industry. This was important to ensure there was less double up in terms of delivery of initiatives, which also applied to the activities of the RMPP.

I said to MPI that we need to sit down with me, Beef and Lamb and talk through what we are all trying to do - so we did that the other day and said, "this is what everyone is doing, this is what you want to do up in the north and this is how we work together on it just so we are not running across each others' track". So I think it is the same with this, the message needs to go across to the Māori MPI team because these people are out in the field working with people saying, "this is what is happening with Red Meat Profit Partnership and this is what it looks like on the ground, by the way you have invested through SFF [Sustainable Farming Fund] a bit of resources into here". So this whole bit here is pretty essential. (Māori leader)

While there was the suggestion that Government and industry bodies needed to sit down with Māori farming representatives and see how they could work together to achieve common goals, deciding on whom to engage with, in Māoridom was less clear, as it would be difficult to determine who exactly would be the voice of Māori at the table.

[So do you see FOMA² playing much of a role in helping the industry to lift profits?] *To be truthful, no I can't and I think they are trying to get the collectivisation going, but the problem with FOMA is that I think they have tried to lead some of this and there has been a little bit of a backlash from those organisations who have owned the livestock. If they could find the means and had the capacity to assist some of this then I think there would be some value. [So when you say the means to assist what do you think they could do that would be of assistance, is it people on the ground?] I am not sure. (Māori, farmer leader)*

[How would you describe the current contribution by Māori to the red meat sector in New Zealand?] *It is quite large but it is also fragmented. If we collectively came together and put together a model like Miraka okay, it is 15% of the market, it is huge. [Could that happen do you think?] I think it will happen but you need a champion to lead out, someone that everyone will follow. Some people within Māoridom have tried*

² Federation of Māori Authorities

it but it was doomed to fail from day one, when they started the board there were too many academics at the table, non-farmers, no stakeholders and they gave them positions as directors. It was crazy. (Māori, chairperson)

5.5. Other impediments to growth

An impediment to farm performance that Māori farming in the Taupo region were facing was the proposed regulations to cap farms at past levels of nutrient use. There were strong concerns this would impact unfairly on Māori-owned land that was generally underdeveloped, therefore being capped on past performance meant there would be limited scope for them to lift productivity through development and increased fertilizer application.

When it comes to nutrient management, the high emitters get their allocation based on their current performance so everybody gets allocated their nutrient budgets for their land use but allocated on their current capacity. So those high emitters are still able to keep emitting at those levels but the lower emitters are restricted to what they are currently emitting, and Māori being at the lower end of the spectrum, even though they are 20% of the red-meat sector, may find themselves unable to extract the potential out of their land. [That is a huge issue.] That has happened in Taupo here. So a lot of our Māori farmers who are not really impacting on the water quality at all are suddenly capped now. And that I think is a challenge particularly in our hill country and where most of our lower land-use classes that is where most of our Māori land is. [Is there any way around that issue or is it going to be forced through compliance and regulations?] Compliance and regulation but I think there is an area that probably needs to be considered around Māori land because not all of our land is in a productive state. (Māori, advisor/board member)

If they [Māori farms] are still sitting behind the pack in terms of the level of development on their properties, some of these environmental restrictions will limit their ability. [So are they water restrictions?] It is probably going to be more nutrient stuff. The restrictions on Taupo basin have effectively taken land out of farming. Right around Taupo there are a whole lot of properties that are probably running at 50% of their potential or less. (Māori, advisor/board member/farmer)

This participant argued that when deciding nutrient limits for Māori farming it would be fairer if the whole holdings of a trust were taken into account – especially as in some cases significant parts of their holdings were remote and not suitable for farming, so it either remained in native bush or was used for forestry.

So I would say that if our farm was capped at its current land use while all these other portions of our land sat in very low emitting nutrient land uses then I would think that there is probably an argument for the whole land to be measured as its environmental foot print rather than just the farm. It was floated here in Taupo with the lake and kicked for touch. So it was probably never really understood as well as it could have been by the authorities - they just wanted to do something about it. And a lot of our Māori land being farmed around New Zealand is like that. The farms are only part of their land holding. That will be one of the limiting factors for Māori and you will find people like me where they get involved with Māori farming probably are very conscious that productivity and

increasing productivity as quickly as you can helps to mitigate those future impacts as

they happen. Now it might not seem the right way to do it from an environmental perspective but from a long-term economic perspective it is the way I approach it when I am talking to Māori governance groups that I get involved with. And they do understand it when you explain it to them in that way. (Māori, advisor/board member)

It was also suggested that many Māori in farming were reluctant to take a risk and this held back some from getting the best out of their land. This was linked to a strong fear of failure, which was underpinned by a desire to be careful when watching over land that is historically significant to the Hapu. This was a clear barrier to growth for some as taking on debt was important in farming if you wanted to improve productivity. Also, when Māori fail it was often well publicised causing some to be even more reluctant to take risks.

[Are there any things that get in the way of Māori farmers trying new ideas and new practices?] Yes failure. Especially the trusts and corporations and even on Māori farms so this land here, this is land that has come down to us now through five generations. So this has been around for a long time. So you can go out on a limb a little bit but it is almost sacrosanct that you have a high-risk tolerance. This huge fear of failure is there because you are putting at risk all that historical stuff. You have got to take risks, your aversion to debt is crazy, you are never going to get ahead unless you put that behind you and just have enough confidence. There are enough examples of Māori out there, where we do bugger it up badly and it just makes it even harder. The political football stuff. When Māori get it wrong it is really bad, when non-Māori get it wrong it is not as bad. (Māori, chairperson)

[What are the key barriers of Māori farming going to the next level?] I think bad publicity. Māoridom are very slow to respond because they are still focusing on what happened 20 years ago when someone got their fingers burnt but it was not managed risk. If you manage your risk there shouldn't be too many barriers. (Māori, chairperson)

Another cultural handbrake raised by this same Māori leader was the widely held view that Māori should never sell their land. This participant noted that this type of thinking held back Māori farming corporations that should be free to strategically buy and sell land to help make their business more profitable.

A key barrier that gets in the way of progress for us is that people have put some cultural norms into concrete, things like you should never sell your land, well if the reality is you can sell this and get something better you should. But we have this resistance to that kind of thing. So some of those cultural norms the concrete needs to be smashed around the legs of them. (Māori chairperson)

However this barrier of not being able to off-load less useful land in favour of being able to strategically purchase property to help grow their farming operation has been re-thought in some quarters of Māoridom. It may be a slow process to change this cultural norm, as Māori farming corporations tended to work to long-term plans; however over many generations as long as the 'korero' was taking place the barrier would eventually be overcome.

Culture has to evolve or else it will die because it becomes irrelevant. And that was one of the cool things about that boot camp where you had a lot of the Māori leadership and we were all acknowledging it. Now, to actually do it might be a bit different but I think the first part of that is saying, "this shouldn't be the handbrake that holds us up forever". But I think the fact that it is being talked about, if you have got a 100 year plan we can wait, it is a step. It will come. And it gives you this huge amount of freedom you think I won't worry too much because it will happen as long as we start the korero about it now and put the thinking in the minds and put some rationale behind it, it will percolate away and come. (Māori chairperson)

Information transfer

6.1. Management structure/ Land tenure

The way that larger Māori farming corporations are structured, with multiple owners and layers of management, creates a different challenge when trying to bring about change on farm. It means that when seeking to help improve on-farm productivity and profitability, understanding the complexities around how Māori-owned farms are managed will most likely be critical.

Rather than influencing an owner/operator to try a new practice or idea a whole group of people have to be persuaded. While within in each organisation there is likely to be a person or a few people who have greatest influence; this would not necessarily be obvious as different corporations will have their own idiosyncrasies and complexities in the way they operate and make decisions. In some cases it won't necessarily be the board that has greatest influence; there may be a farming committee that drives most of the operational decisions, or a trusted farm advisor or supervisor who has a lot of sway, or a trusted farm manager who is getting good results and has significant influence on the adoption of any new practices or ideas.

[In a Trust like yours how are the major calls made on whether you are going to adopt a practice on a farm?] *In terms of the structure of our trust, we have got our block of trustees; we also have a farm operations committee that is a recommendation body only. I sit on that board as of right; I demand that I sit there because that is our core business. Ideally after our court hearing I want to implement subcommittees, one that will look after audit management and risk, one that will look at investments, one that will look at cultural and there is also our Farm Ops committee, we have got a limited liability company that we can utilise.* (Māori, chairperson)

[How are you finding it in terms of getting the farms to buy into it?] *It is a challenge because one of the things that is constantly underestimated is the time and complexity. So you have a board and then you have a farm consultant and then you might have a farm manager and in the board you might also have another group of influential people. So you have quite a dynamic here. So the key thing unless you have got the buy in at all levels, this is doomed for failure from the outset. That takes a bit of time and that is the critical factor to putting these things together.* (Māori leader)

[Is there a board that sits over the organisation?] *Yes they have a board.* [Do you have to do ongoing reports to the board?] *I do monthly reports to the supervisor who then presents those reports at their quarterly meetings. They have three monthly meetings and then once every six months they come to the farm and have their meeting on farm so I have to present the farm and I am involved with those meetings.* [Is the board very much involved in how the farm is run in terms of setting policy?] *No, the management policy is*

basically run by their consultant and between the managers and the consultants. The board might give direction in what they might like to see as far as environmental issues being take care of and things like that and basic policy. (Manager of Māori farm)

Identifying the main decision-makers in each Māori farming trust would be a difficult task. The safest approach was to get in touch with the chairperson of the various trusts to see if they would be open to a presentation at their board meeting of what the industry could offer their trust in terms of information transfer for helping to develop their on-farm productivity. Just like the overall strategy of the RMPP is to target initiatives that suit the various farmer segments, this is also the case among Māori farmers. Some of the larger corporations are doing very well and many don't necessarily need much assistance, and if they did it would need to be tailored to running a large corporation. On the other hand there is a multitude of mid-tier Māori trust farms that haven't got the resources to contract in quality specialist advice that may benefit most from practical industry-sponsored programmes.

You are not going to change anything unless you have got someone at the top who is going to put the pressure on. You can't make change at any other level without having leadership. The people in leadership who have the leadership skills and knowledge to do it. (Māori advisor/board member/farmer)

But as far as the outside agencies are concerned it would be great if they came along and helped those people. We go for everything that is available but we also know that we have got finances behind us to back it up when they go away. [When you say help those people are you talking about those people who own the smaller farms up the coast?] The other corporations that aren't doing so well. [How would they get in there to actually do that, would they have to be invited?] You make contact with the chairs of course. And do a presentation to their committees. Because if there are things out there to offer, I think it needs to be offered across the board to everybody. [Even getting in touch with the chairs, how would they know who to get in contact?] At the Māori Land Court there is a list of the corporations and trusts and they will have who the people are. (Māori, chairperson)

This participant also suggested that, while in the past supervisors were critical to getting information out onto Māori owned farms; in the future he felt this information will increasingly need to get onto the farms via the trustees as well.

[What are the best channels for getting information out to Māori farmers?] Historically it has been the farm supervisor who has determined on farm policy. In the future it will be a combination of the supervisor and trustees, so where historically the information has been coming in through farm consultants who are working for a wide range of people and not just Māori and transferring knowledge in, in the future I think we will have more stuff coming in from a governance level as well. (Māori, advisor/board member/farmer)

It was noted that many Māori farming organisations were less aware of what the industry could offer to help improve on-farm performance. A few participants suggested that industry bodies could make contact with farming trusts and inform them about what could be accessed. They said

that finding contact details of the various leaders of the farming trusts wouldn't be too difficult. However without relationship-building and developing some trust there would be suspicion about your motivation, which would make it difficult to instigate positive change.

[What are the best ways to get information out to these Māori Authorities or to approach them if you want to run a work shop with them or a presentation in terms of what you can offer to help them improve?] *The Māori Land Corp maintains a register of all corporations and trusts with listings of committee members and contact details. So finding them is not hard you just need to look through Māori Land online. [So that is open access is it?] Yes. [Do you think they will be open to being contacted in that way?] No. Like most things it is about relationships. I could go to Māori Land online and look up a corporation in Taranaki but they won't know me from a bar of soap. So what am I after? A lot of it is about relationships and building up the trust. So you have got to find someone that you have got a relationship with that is able to introduce you to other people. (Consultant to Māori farming)*

It was also important that relationships were built with the smaller local farming corporations as they would be reluctant to invite strangers to present to their boards.

Once you have got to the chairs and their committees and the presentation is worthwhile then you will start making the in-roads. But for one thing if you are working on this coast you also have to have people that those people are used to working alongside Beef and Lamb or MPI. You can't have total strangers come in because they are not accepted. [When you say people they are used to?] People from around here. People from other blocks and things like that, that they know. (Māori, chairperson)

There was also a very complicated political context to many of these Māori trust farms, which made it very interesting when trying to instigate some positive change.

[How long is their tenure?] *Generally it is for three years, so they get elected, they are on for three years but unless they can find some allies on the board they are only one of five or seven voices. So you actually need to have three or four people on a board to influence its overall strategy and direction. And of course as soon as you introduce change you get push backs, nobody likes change. And that tends to upset shareholders, which then leads to unpredictable elections. (Māori advisor/board member/farmer)*

This participant felt that the multiple ownership models of Māori corporations had the potential to quickly spread new ideas through Māori farming. He noted that in many cases Māori were shareholders of multiple trusts so if they were exposed to some productive ways of farming in one trust that would soon be disseminated into the other corporations in which they held shares.

Within our group of farming operations there is 120,000 hectares or whatever and there are three farming trusts and the one I am involved in has got 1000 owners but virtually all of those 1000 will be in both of the other two along with a whole heap of others. So the ones who are really interested they go to three or four AGMs a year. So they actually

do start to get a picture as to what is going on on their land. So if you can get Beef and Lamb to come in and help one individual trust to get its act together and improve its performance that will feed back out to other associated trusts simply through the shareholding base that they have got. (Māori, advisor/board member/farmer)

When seeking to improve the productivity of Māori farming, one area that this participant felt was quite different was that many of the large corporations shied away from industry initiatives like discussion groups as they were not necessarily relevant to their much larger businesses

One of the things that I have noticed now for practical purposes a lot of the Māori corporations they don't always engage or involve themselves in the discussion groups because they are not as relevant. Often the corporations are sizeable, that is different, and often the fact that you have a structure above you like a board that you have to report to that is difficult. (Māori, chairperson)

6.2. Broadly similar needs

As we have already covered in this report, Māori clearly have some unique issues to address to improve the productivity of their sheep and beef corporations. However like the rest of the sheep and beef sector they are also working to turn grass into protein. When it comes to practical on-farm productivity and profitability development, they face similar challenges to the rest of the industry and will benefit from similar industry information transfer programmes to help them lift their performance. Once you have negotiated your way through the management structures of Māori corporations down onto the farm, the business of farming was not thought to be substantially different to farming in the rest of the sector.

[Are there any other areas that you see where there are gaps in Māori on-farm capability?]
There are gaps but I think they are the same gaps as everywhere else. (Māori advisor/board member/farmer)

The average Māori farm is just the same as an average European farm. (Māori, advisor/board member/farmer)

■ Targeted practical support

As reported in the other RMPP reports, like general farming, Māori farming would also benefit from more targeted and smaller events where farmers were taken through a step by step process to implement a change. Farmers also needed to see results from any adopted change.

[Is there anything you have seen be quite successful in getting farmers to adopt new technology?] *So when you are trying to get people to adopt new stuff they have got to see results within a reasonably short time period otherwise they get sick of it. But what we find as soon as we start seeing results it is like "shit I love this". (Manager of Māori farm)*

I think Beef and Lamb New Zealand do a certain amount of extension, but simply telling you that you can do this and helping you actually walk through doing it are quite different things. And I cringe every time I hear Beef and Lamb say, “we have run something like 300 extension days”. How many farmers change their practice as a consequence of those extension days? Just because they give you a piece of information doesn’t mean that you are going to do anything different. I think we need to put in place a whole programme of, here is the idea and maybe working with smaller groups, maybe 10 – 12 farmers with common interests and walking through a technology adoption implementation programme from start to finish. Because all we are really doing is turning up and saying here is the information. (Māori advisor/board member/farmer)

[So training will obviously help a little bit but what other things do you think would be useful to help Māori farming work through those issues?] *I think objectives and when they see tangible returns coming back. But the thing is you have to paint pictures and mind maps for them to follow and say, “if you do this, you can do that and if you do this, it could do that”. (Māori, chairperson)*

Many talked about the need for forming groups of farmers that were focused on a specific skill or practice to learn and adopt. The farmers involved would need to commit to sharing information about what worked for them. It was suggested that the more intense practical demonstrations, which included instruction from an expert and other farmers worked best.

What we are doing with this one is we are putting together effectively these producer clubs - so basically they are clusters of farms that have a common goal of working together and they have an agreement that they will transfer information at an operational and entity level. And they do the initial benchmarking and then from that benchmarking they will create a baseline of where they are at and then they will figure out where they can potentially be and how to get there. So we are basically getting these prototypes up and running. Now initially there will be a core of probably five to eight farms in each. So these are the simple things around people starting to work together, people starting to understand what drives value and what are the points of intervention or influence we have within a system. (Māori leader)

What you would need in the Gisborne district five or six clusters of farmers, discussion groups whatever you care to call them, who are prepared to commit to implementing a particular practice who will roll it out and share the information, who will be the guinea pigs and prototype the change. (Māori advisor/board member/farmer)

What works best from my perspective is coming in and doing focused workshops and it might only be 20 people that come along to the workshop, you might have to run two or three or four in each region to cover everybody but they are small and they are focused, they are about a day and they have that expert in whatever field it is that they are going to talk about teaching there. (Manager of Māori farm)

■ Promoting events

It was suggested that interesting initiatives were run in regions and often farmers didn't attend as they were not aware of the event until after the fact. For any initiative to successfully attract farmers to participate there needed to be a concerted effort to promote it as widely as possible via existing networks.

It never ceases to amaze me that something really good can come up and you don't know about it until it is finished and you think, "gee I wish I had gone to that". I am not sure how you tap into that but I know certainly in our area we are getting email trees going but that is more around rural security. Once those things are working properly you can get all sorts of information out through those. There is a guy in Gisborne who has got a huge email tree that he does with discussion groups and monitor days and people like him you just make sure he puts it out through his email tree. In my view that should be the role of the Regional Manager for Beef and Lamb to be certain that it gets out through all those channels. (Manager of Māori farm)

■ Benchmarking and measuring

It was clear that rural professionals and the meat companies had an important role to play in helping some of these large Māori farming corporations to lift their productivity. There were examples of meat companies working quite closely with some of the large Māori corporations to help them benchmark and share with them information to help build excitement in the industry. As some of the Māori corporations were large customers there was willingness for the meat companies and other rural professionals to provide extra assistance and support and help them increase profitability.

So what we will do is try and incorporate a meeting of managers during the winter to look at how the kill went, we will get [name] up here, what are the markets looking like and these are the results for the year and they will have lunch. But it is a very simple situation at the moment and we need to expand that later to try and bring some of these other speakers into the group. So I find that if you actually increase the excitement of farming to these managers and they can see a pathway forward that is relatively easily achieved they get quite excited again. And these are guys who might have been farming for 20 years. They will try new grasses and they will do all those sorts of things. (Māori, advisor/board member)

[Are there any other skills they are lacking where the gap needs to be filled?] We have vets that come out and do field days with staff. Why they apply animal health, when is the best time to apply that animal health and they show them how to apply it...We also have our fertilizer people come out and they will explain to the staff when to apply stuff and how to apply it and why they apply it and the expectations that they want out of it. But it is just really an update with the staff, because we spend about \$1 million on fertilizer per annum. (Māori, chairperson)

Benchmarking and measuring would be critical to helping lift performance on Māori sheep and beef farms. Without a clear measure of performance it is too easy to cruise, thinking that everything is working well. Performance measures for the larger Māori corporations were important for allowing trustees and board members to better hold their farm managers to account. As the larger corporations often had several farms they were able to more easily see which farms were performing best and ask questions of those who were not delivering.

Beef and Lamb offering to the trustees to benchmark their property is probably the biggest and best thing that can happen for them because the only way for them to find out what they are not achieving is to be benchmarked so they can see where they are doing well and where they are not doing well. (Māori, advisor/board member/farmer)

In this example, performance was measured by obtaining information from their meat company and using this to calculate basic output data such as the number of lambs killed, weights achieved and dollars earned. The outcome for this corporation was that the farm managers who were performing the best were motivated to see how they could do even better and the ones who were

at the lower end of the group were questioned to see what it was that they could do differently to improve their productivity.

If I just concentrate on our farm because we are killing lambs through [Name] who are quite happy for us as an executive to get all that information on individual farms so we put it into a format where everybody sees what everybody else is doing. How many lambs we have killed, what dollars have come out, what weights they were, what their net yield across all of the farms and all of the farm managers. Now the name of each farm is only given to the manager of that farm so he knows where his farm is on that graph and doesn't know whose the others are. So we have got 14 or 15 sheep and beef farms and we are talking about implementation and the first year a few of the managers whose lambs didn't perform that flash for a range of reasons they all came out with excuses. But the trustees were seeing it, the ones at the top were thinking, "we are okay" but those ones at the top don't think like that, they think, "how can we do better?" So a few of the trustees were saying, "our manager said we are doing pretty good but we are doing shit here"... So that is where implementation comes in, in small groups and that is where we have been able to use the value of this lamb kill in particular to see where the dollars are.
(Māori, advisor/board member)

The advantage of using independent information from their meat company meant there was limited room for excuses or to question the data. Also comparing data across a number of farm managers all within the same corporation led to the lower performers wanting to move up in their ranking. This particular trust had also recently run a session where they got the managers all together, which had been great in facilitating information-sharing so the lower performers could ask questions and pick up on what the higher performing farm managers were doing.

Because once people see dollars and somebody is making more than them and they know it is independent, then they start to ask the questions. And two years down the track those managers that were making excuses are now saying, "how do we do better? What are we doing wrong? What are you guys doing that is different to us?" So that is where the implementation comes. Whereas if you have a blind benchmark where you are just going in and benchmarking your property so you can make all sorts of excuses to the trustees about your farm is bigger than those or in harder country and they will believe you.
(Māori, farmer leader)

In this example the trustees were able to clearly see how much extra revenue they had missed out on simply because they weren't drafting their lambs correctly.

And in the meeting when we presented it to them one of the guys was sitting at the end fiddling with a calculator and at the end of the meeting he said we have missed out on \$100,000. And he could see that they might have supplied 15,000 lambs and they were \$8 or \$9 less than one of the other trusts. So even just simple benchmarking like that makes them realise. And what stood out for them was the difference was all about drafting, because they were going to the same company on the same schedule and all the rest of it and we had been giving them clear messages as to where we wanted the lambs, what weight range they needed to be. When you presented the results to them all the guys were sitting there scratching their heads saying, "how do we fix this up?" And that is the

power of benchmarking. So it doesn't have to be a whole farm - in some cases it just has to be looking at what is going on in their revenue side and how well they are drafting their lambs and analysing their killing sheets. (Māori, advisor/board member/farmer)

This approach worked well for some Māori farming operations that were part of a wider group of farms, as it gave them something to compare with. However there was a greater need for industry support to assist the smaller Māori farming trusts to get a better sense of how they were performing and what could be done to improve their productivity.

These guys here, [smaller operators] we think the response is and we just haven't got the resource to look at it and we have talked to Beef and Lamb about it, but what these guys really need is a whole of farm assessment tool. So you go in and do your benchmarking so there is some concept of relativity and we do this a lot with Dairy New Zealand around their whole of farm dairy assessments. But what we have done recently is a mixed sector, whole-of-farm assessment, so mixed livestock and dairy and we have trialled that this year on a Hawke's Bay farm. So they have got a dairy farm and a dry stock unit so we have run an assessment tool across. So Beef and Lamb help with the mixed livestock one and Dairy NZ have pretty much got the dairy nailed. So what we think is that there needs to be a whole-of-farm assessment. This is where you are at and these are the key issues on your farm and these are some of the things you might do to deal with that. But you have that governance engagement and that is where you put them on Farming 101 basically. Guys here are your basics, then you relate it to your whole of farm assessment, so part of that is working through and understanding whole of farm assessment. So that is when all of a sudden the light might go on and they bounce into one of these. So that is affecting the responses to each of these areas. (Māori leader)

It was acknowledged that Beef and Lamb New Zealand and Dairy New Zealand were doing some work in helping some Māori farms benchmark and carry out meaningful comparisons. This was one area where this participant felt Beef and Lamb could have a significant impact in the Māori red-meat sector.

Some of the service centre Māori strategies are a bit of tokenism but some of them are real and are making a difference. And I think both Dairy NZ and Beef and Lamb are seriously trying to engage and they are looking to do whole farm assessments and things like that to help the trusts that are willing to go through that process to identify whether they can do things better. We are doing some benchmarking and often they don't know how they compare with other organisations in terms of what they are doing per hectare. And I think that is where the likes of Beef and Lamb can have a significant impact and they are certainly looking to make sure that they doing that sort of stuff with at least some Māori farms. (Māori, advisor/board member/farmer)

This participant felt that there was also a strong need for measuring on-farm performance, he noted that if you could not accurately understand what was growing on your farm there was no way you could efficiently harvest it.

[You are obviously talking about doing more benchmarking and measuring and that kind of stuff.] Yes a lot more benchmarking and I think when people hear benchmarking they think that is just something accountants do, but there needs to be more benchmarking around animal production systems, around what is your actual farm growing because if

you don't know what you are working with it is pretty hard to know what you can harvest.
(Manager of Māori farm)

The structure and size of some Māori farming corporations meant they faced different costs and challenges, which made it more difficult for them to find similar farm businesses to benchmark with.

[For large corporations] All your benchmarks are different in terms of what is the cost of admin, cost of wages because often these properties are reasonably isolated so that affects wages. So you are always out of kilter and we have found that with a lot of the benchmarking that you don't actually fit. And I know that when I first got on the board they didn't even have a farm adviser and a lot of it was because they were so embarrassed because this was this aversion to debt, aversion to risk, you were always doing it on the smell of an oily rag, never doing it properly so you were always on the back foot. (Māori, chairperson)

Processor relationships and views of the RMPP

7.1. Processor relationships

It was difficult to get a view on how this group liked to manage their supply relationships with meat processors. Not all of them were involved in working with meat companies and those who were gave quite different views. This chairperson noted that they were not comfortable locking their corporation into a long-term arrangement. While he felt they kept pace with the market and were happy with the result, he did concede there must be an easier way to sell their stock.

[How do you manage your relationship with meat companies do you have a long term relationship or do you take the best price?] *We don't have any formal contract with anyone, that allows us the flexibility of other people paying more and we can shop around. Yes there are highs and lows in regards to that but I am not comfortable in locking our group into a long-term arrangement. [Is it 50,000?] Yes. Some people would say that is stupid but we have been proving them wrong as well, whereby because of our flexibility we have kept pace with everyone else, but there has got to be an easier way of doing it. [Do you sell to quite a few meat companies or do you go from year to year?] We just see what's out there. At the moment [company] is really banging on our door for our attention. We currently supply to [company] but [company] is right on our back doorstep and we don't supply them. They lease our land off us but they are not the best people in town to deal with so they don't get our supply, which is absolutely crazy. Not the best payers in terms of the schedule. [So you must be putting a lot of effort into dealing with meat companies and working out the best price?] Yes. (Māori, chairperson)*

This board member felt that the way Māori-owned corporations dealt with meat companies was not much different to all other farmers. However, he did note that bigger Māori corporations, due to the size of their supply, were able to get good deals from meat companies. The more supply they could offer the better the deal was. This was leading to more Māori farms loosely grouping together to increase supply and garner a better price.

[We have talked a bit about how you prefer to deal with meat companies and so you would like a long term connection with them.] *We are no different to other farmers - they sell their stock to whoever they get on with or they get on the phone and ring two or three firms and get the best price. So most Māori trusts and the bigger they are the better the deals they get offered. The difference with [name] is that it is bigger still and it is getting*

a better deal still because of their scale but that is only 20 trusts out of God knows how many. [Are there other Māori trusts similar to that?] There is a grouping around the East Coast and some Māori farming operations are very big and doing stuff on their own. But [name] is the one that has been going for 20 years and we are now getting asked by more and more of them to come and present to them and some are looking at joining up. And it is interesting because the trigger for other trusts is what we are doing with lambs and I think the difference we can make for the smaller trusts is to get them what the big trusts get for their stock. And we can do stuff on the expenditure side, you can't do much on fertilizer but if you put their revenue up by 10-15% and you are struggling that 10 – 15% becomes important. So certainly [name] was quite happy just sticking to its little group but now it has decided to expand and we will take in more of them to make sure they have the opportunity as well. (Māori, advisor/board member/farmer)

This chairperson said their corporation was locked into a three-year deal with a processor - they preferred to have a long-term relationship rather than “hopping around all over the place”.

[Are you more interested in building a long term connection with a meat company?] We used to jump around and see who would give us the best offer. At the moment we are locked in to [name] for the next three years. We are a year down the track with them now and that is working. Because of the way we are we have been able to get things the way we want it with them. We used to be with [name] and I just found them so arrogant. At the beginning of the year they all come and do their presentations and they were just so arrogant, as if to say, “we know you won't go anywhere else” and we just saw through them and said, “sorry, if that is your attitude see you later”. [So if you get treated right you are more interested in having a long-term connection?] Yes, a long-term connection with people is more important to do that than it is to be hopping around all over the place. When our farm manager first came he used to try and chase the weekly markets and we knew as a board that that is not what you do. Meat companies were always ringing us to get early stock so that we were always the first off the rank and we got the best prices always. (Māori, chairperson)

However she went on to say even though they were trying to focus on working together to build scale (and therefore supply) and maintain long-term relationships, at times it was difficult to keep some of her board members on track.

But we are too small on our own and it is really hard for me to get through to those arrogant men sometimes to just stay focused on what we are trying to do. And don't go to the companies. And the first thing they do when they came up here last month and we just took them out to the farm and the next thing they are going back and saying they are going to go and have a look at (meat company). I said “what for – we are not going to sell our meat to them” – I said “you are not listening” so governance needs to start right up there with these people who are running these things. (Māori, chairperson)

7.2. RMPP

There were mixed views of the RMPP; however an aspect that some welcomed was seeing such a wide range of industry players involved and talking to each other.

[What are your thoughts on having a red meat profit partnership?] *I think it is good, I suppose it is finding the right outcomes from it. This discussion has to take place and it is good that there is a broad spectrum in that group.* (Māori, advisor/board member)

The only positive is that the meat companies have talked to each other a bit. (Māori, advisor/board member/farmer)

Participants generally supported the idea of trying to improve on-farm skills and lift the productivity and profitability in the red-meat sector.

Getting mediocre farmers cranked up, I think there is definitely potential to do that. Someone just has to be targeting them and getting them to come out of their shell. (Manager of Māori farm)

Is it about strengthening the capabilities behind the farm gate at all levels? And maybe that is with better market information, better use of technology or access to technology. I think about how the dairy sector their use of technology is amazing, how they have strengthened the understanding of pasture and feed requirements. (Māori chairperson)

If there are tools out there that are going to help on the ground people to implement and execute change and change their behaviours, which is really what it comes down to at the end of the day – and it is always hard to change people’s behaviours and it is about building passion and excitement back into the industry really. And getting the focus back on what they are in the industry for rather than just the lifestyle. It is a better lifestyle if you are doing well because your mind is in the right space. (Māori, farmer leader)

However many felt that to really make a difference industry issues needed to also be ironed out, such as getting farmers to commit to long-term supply and getting the meat companies to look at their approach to the industry.

But we have met with all of the meat companies and the philosophical differences between them are huge. I think that if they really do want to do something serious about it they have got to get farmers to be prepared to commit their supply. I believe they need to move to a model where the farmers commit their supply for say three years or whatever. In any business in the city you don’t run up and run an auction every time you want to sell something - you have a structure. So the single biggest difference would come if they could break through this they can have confidence in supply agreements. I just can’t see how they can address that fundamental issue of certainty of supply. (Māori, advisor/board member/farmer)

I think the intentions are fantastic and I think fundamentally there is a whole lot of attitude that needs to change to make this work and what I mean by that is that it is attitude to a lot of these big companies needs to change but I am not that convinced that they are going to be able to change that easily. So if they are not changed it won't work but if those attitudes change I think this has real potential from a company's point of view. (Manager of Māori farm)