

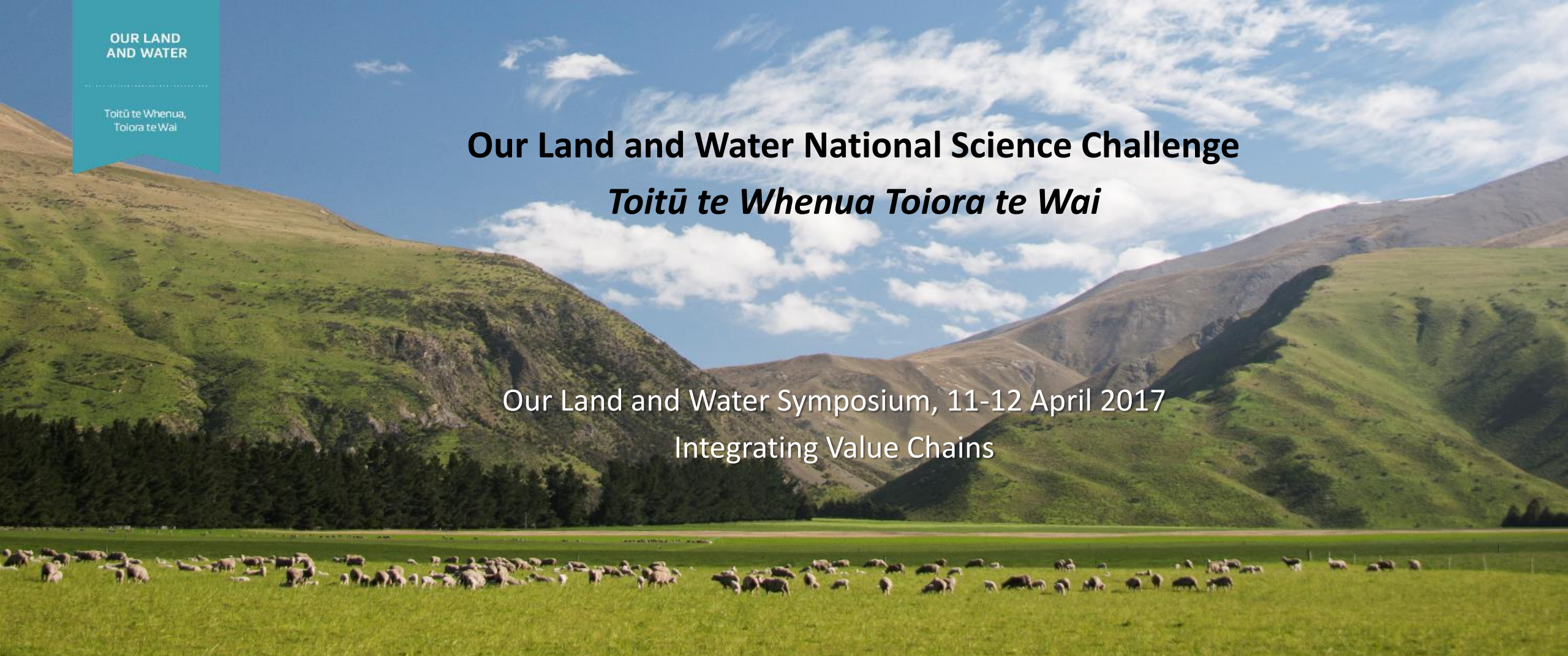
OUR LAND
AND WATER

Toitū te Whenua,
Toiora te Wai

Our Land and Water National Science Challenge

Toitū te Whenua Toiora te Wai

Our Land and Water Symposium, 11-12 April 2017
Integrating Value Chains



Introduction

- This programme is part of Theme 1: Greater Value in Global Markets.
- The programme began on 1 January 2017 and will continue until 30 June 2019.
- The research team is made up scientists from the following organisations:
 - AERU at Lincoln University
 - Lincoln University Commerce Faculty
 - Scion
 - GNS Science
 - PwC New Zealand
 - The Agribusiness Group
 - Thought Leadership
 - J D Reid Ltd
 - Massey University
 - University of Auckland

Challenge Mission

“To enhance primary sector production and productivity while maintaining and improving our land and water quality for future generations.”

Our programme is part of exploring whether New Zealand producers and processors can capture value in international markets because of this.



Background to the Research Programme

- The programme builds on a previous research programme by AERU, funded by MBIE, called *Maximising Export Returns* (2013-2016).
- That programme undertook research in five key markets for New Zealand exports and found that consumers are willing to pay for valued ‘credence attributes’ of their food and beverage purchases.
- These credence attributes include food safety, animal welfare, environmental condition, social responsibility and cultural authenticity.
- See www.lincoln.ac.nz/aeru/mer.



Background to the Research Programme

AERU Agribusiness and Economics Research Unit
A Lincoln University Research Centre
New Zealand's specialist land-based university

How Value Chains Can Share Value and Incentivise Land Use Practices: A White Paper

Caroline Saunders, Paul Dalziel, Mark Wilson, Tiffany McIntyre, Hilton Collier, William Kaye-Blake, Alistair Mowat, Tava Olsen and John Reid

Client Report
Prepared for
Our Land and Water National Science Challenge

OUR LAND AND WATER | Te Kaitiaki Take Kōwhiri | National Science Challenges

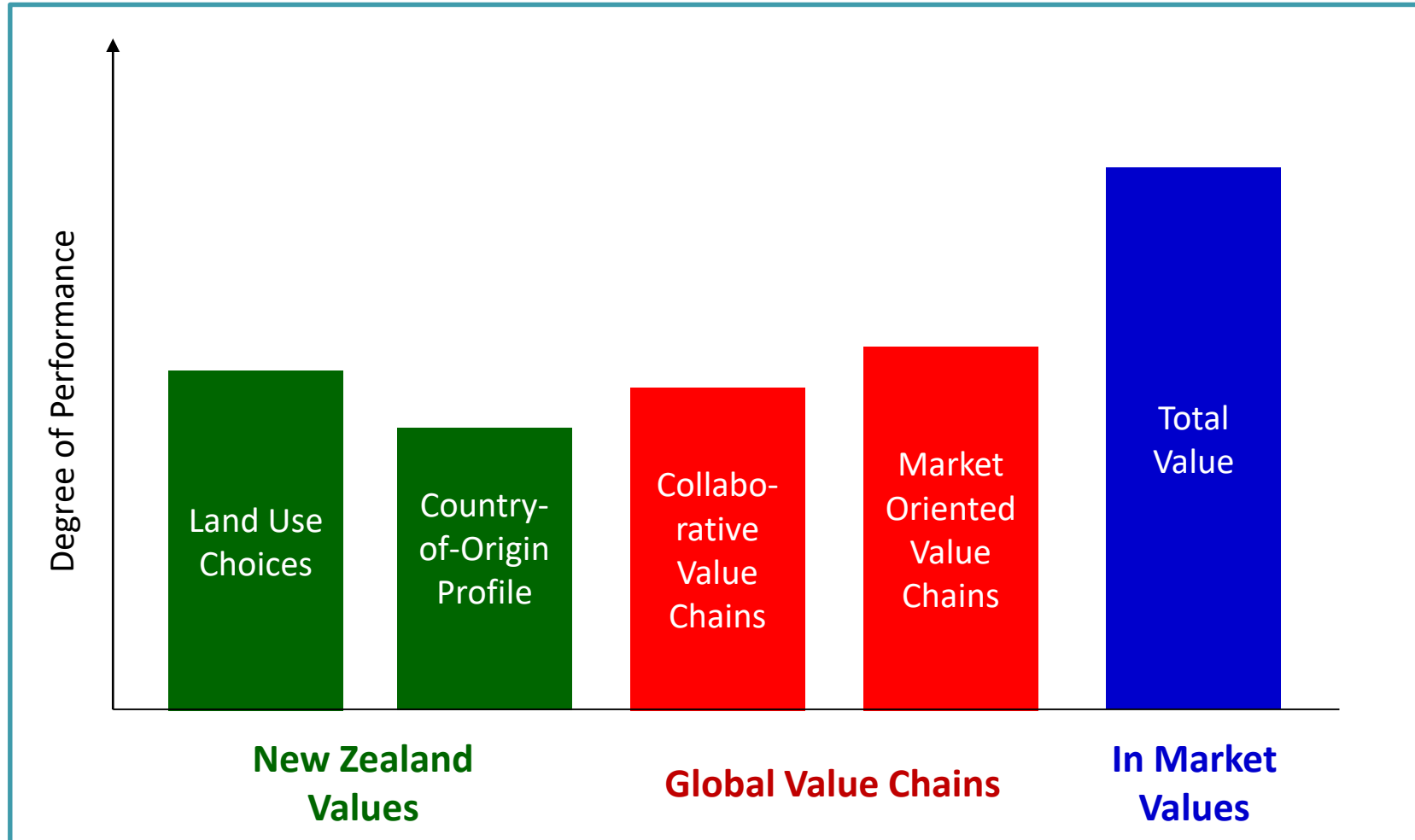
30 September 2016

Lincoln University
Te Whare Wānanga o Aoraki
CHRISTCHURCH-NEW ZEALAND

The cover features three circular images: a rural landscape with a house and cows, a modern city street with pedestrians, and a large industrial port facility at night.

- Even if consumers are willing to pay a premium for credence attributes of New Zealand food and beverage products, how can this value be shared by New Zealand enterprises?
- The Our Land and Water Directorate commissioned a white paper on this topic, which was produced by a team of 9 researchers.
- This report was presented to a workshop of stakeholders hosted by the Directorate at Lincoln on 29 September 2016.
- See www.ourlandandwater.nz/the-challenge/greater-value-in-global-markets.

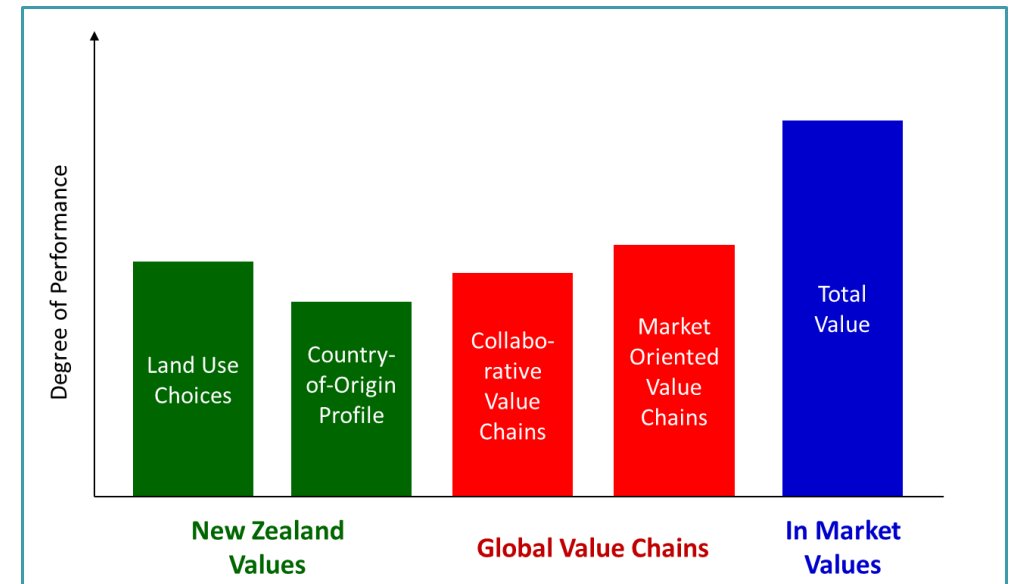
Capturing Global Value (Taken from the White Paper)



Integrating Value Chains – Five Themes

The five components of the model define the five themes of the research programme:

- *Value / Credence Attributes*
- *Market Oriented Value Chains and Communication*
- *Collaborative Value Chains*
- *Market Surveys of Country of Origin Attributes*
- *Land Use Choices*



Research Plan

Phase 1 – Tailored research on the five themes, collating evidence (best practice and in market).

Phase 2 – Five case studies to assess collaborative value chains and land use practice/use.

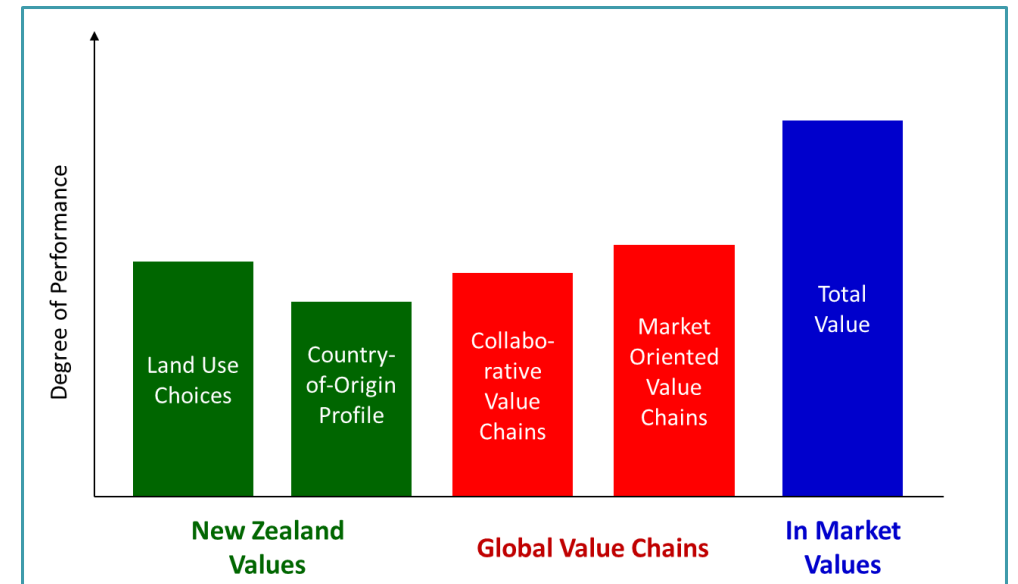
Year	2017				2018				2019	
Quarter	1	2	3	4	1	2	3	4	1	2
Phase I	C	Tailored Research			R	D				
Phase II					C	Case Studies			R	D

Key: C = Co-design of research plan; R = Reporting of results; D = Dissemination of results.

Value / Credence Attributes

Review and keep a register of those high-value physical and credence attributes that relate to sustainable land use choices.

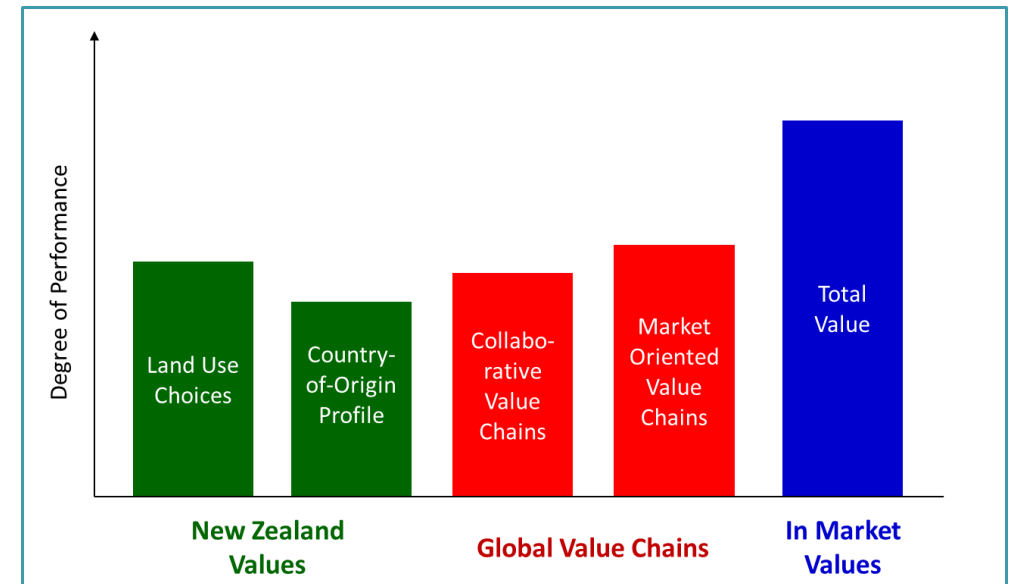
This is being done on the AERU's Maximising Export Returns Data Portal to make it easily and widely accessible.



Market Oriented Communication

Prepare an Options Paper covering global trends/issues in:

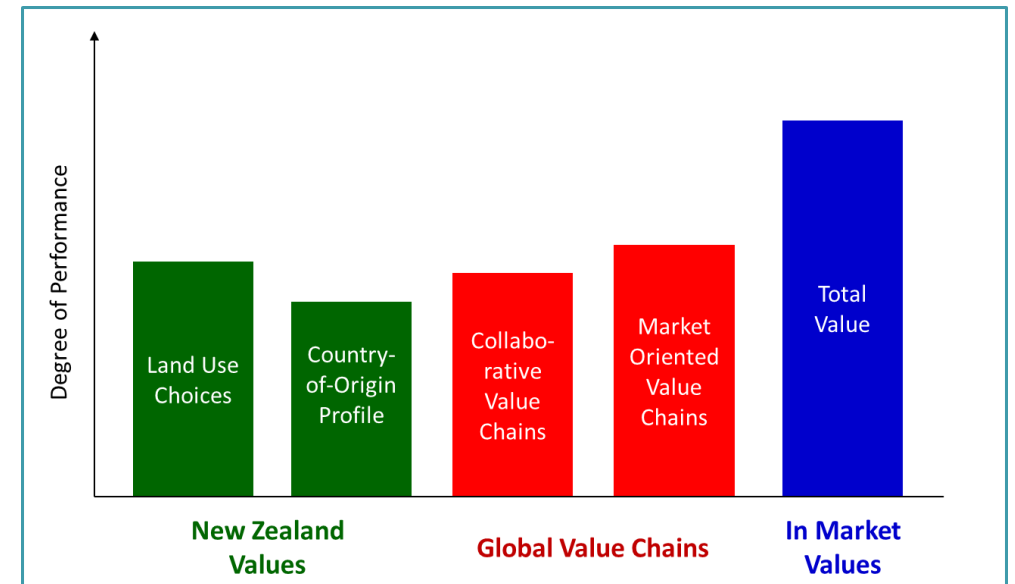
- Food integrity requirements (PwC)
- Sustainability Audits (TAG)
- Smart Technologies (AERU)
- Authenticity and Traceability (GNS)



Collaborative Value Chains and Land Use

Create a conceptual framework that embodies optimal features of a market-oriented, collaborative value chain, paying attention to the specific context of New Zealand agri-food value chains.

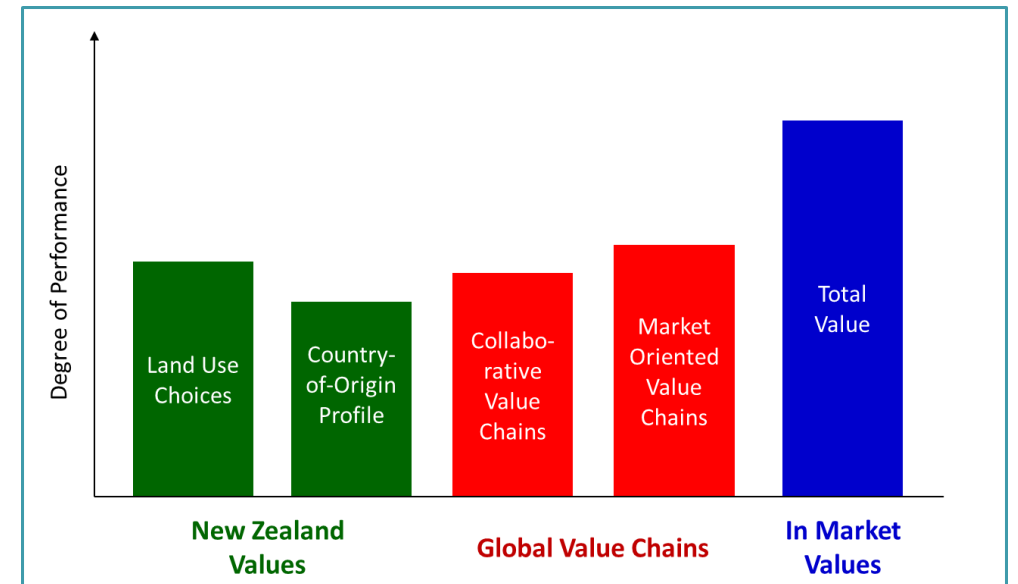
This will include governance structures that best deploy and incentivise the use of collaborative value creating transactions.



Surveys of Country of Origin Attributes

Undertake two country studies of what do international consumers value and expect of New Zealand primary production exports, especially those originating from Māori enterprises, and where do the best opportunities for increasing New Zealand producer returns lie?

The two countries are China and United States.

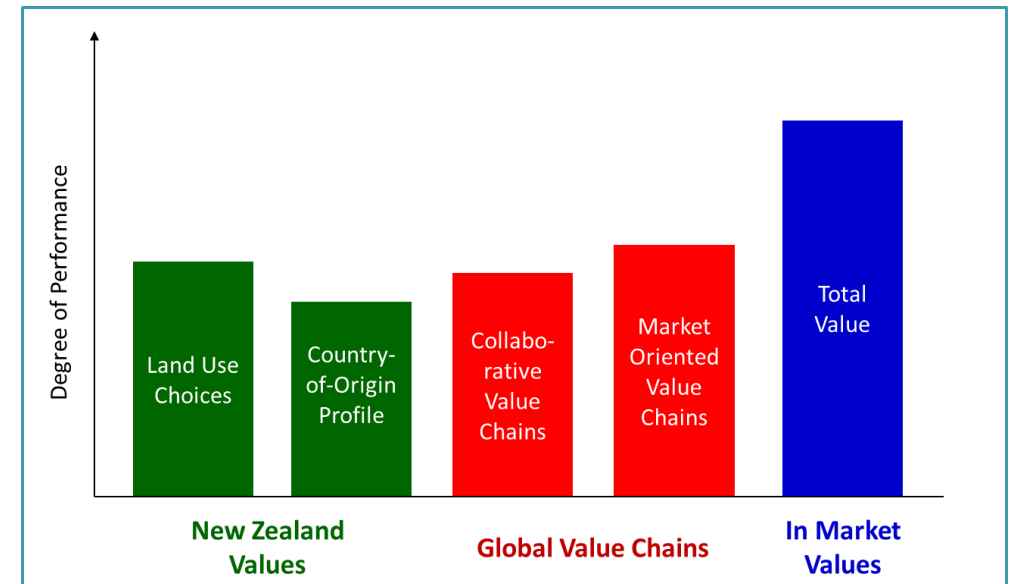


The Big Questions of the Case Studies in Phase 2

Where along a collaborative value chain would interventions (e.g. technological) provide the greatest returns to producers of these attributes?

How can value chains communicate with their producers and reward them for providing credence attributes valued by domestic and international consumers?

Five case studies are being planned.



End User Engagement

- The research is being overseen by an Advisory Board of end users.
- The first meeting of the Board was on 21 March; it agreed to Phase 1 of the research proceeding, and they will approve the case studies in Phase 2.
- The Advisory Board is made up of representatives from the following organisations.
 - MBIE
 - MFAT
 - MPI
 - NZTE
 - Export New Zealand
 - Beef + Lamb New Zealand
 - Horticulture New Zealand
 - New Zealand Wine
 - Fonterra
 - Food, Farms and Fresh Water
 - Synlait
 - Zespri
 - Wakatū Incorporation
 - AsureQual
 - Te Hono Movement

Vision Mātauranga



“Māori companies have strong aspirations to move up the value chain, participate directly in export markets and use Māori strengths of relationship building and storytelling to carve out a unique proposition with global consumers. Many are interested in safe, healthy food and natural products, integrity in supply chains and stories, cultural identity and the origins and sustainability of products.”

Liz Te Amo

Pouarahi / Director for Māori Customers at NZTE

(July 2015)

Vision Mātauranga

- This research offers important opportunities for Māori.
- This is reflected in the composition of the research team and the choice of the five case studies.
- Dr Tanira Kingi (Te Arawa/Ngāti Whakaeue, Ngāti Rangitihi, Ngāti Mākino) and Dr John Reid (Ngāti Pūkiao) are each funded for 0.25FTE in total over the programme.
- Dr Kingi is based in the North Island and Dr Reid is based in the South Island, so that the Vision Mātauranga research covers a wide geographical area.
- At least two of the case studies in Phase 2 will have a strong Vision Mātauranga character.

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Questions

