NZAPI CONFERENCE
31 JULY-1 AUGUST 2023

Growing back better -
What are our shared priorities?

CHRIS KERR
DIRECTOR, STRATEGY & INSIGHTS

Ministry for Primary Industries
Manatū Ahu Matua

Cyclone Gabrielle -

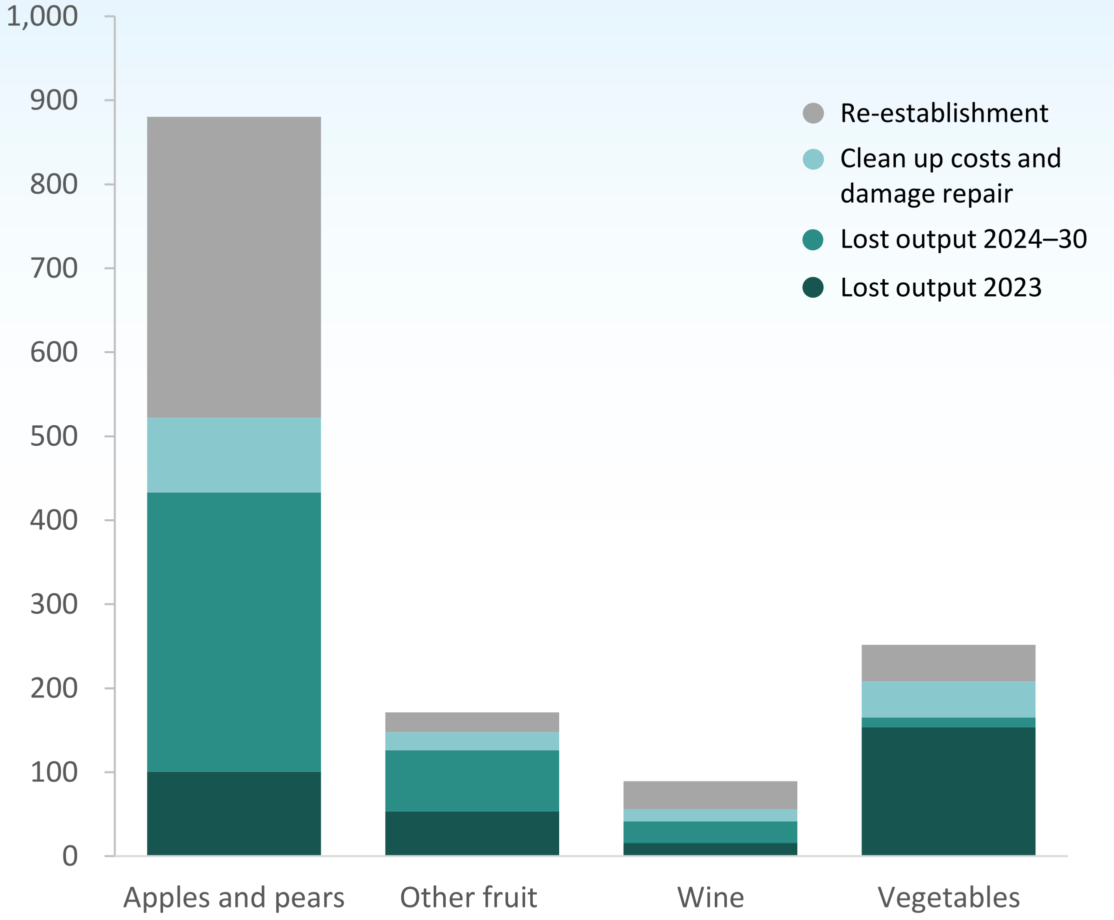
An unprecedented shock

Apple and pears: severely impacted

Horticulture on-farm impacts are estimated at $1.2b to $1.6b (63% of total primary sector on-farm losses).

- Lost production and associated revenue in 2023
- Clean-up costs including silt/ debris removal and disposal
- Rebuild costs and lost production until new trees/vines reach maturity
- Loss of revenue for processors and exporters

Estimated on-farm impacts from Cyclone Gabrielle
($NZ million)



Source: MPI estimates.

The response and recovery

Government has provided $227 million for the food and fibre sector:

- $74m Primary Sector Response Fund
- $70m Clearing & removing silt on commercial properties
- $30m Debris & sediment removal from whenua Māori
- $30m Primary Industries Recovery Fund
- $10m Slash removal
- $5m Isolated Rural Communities Recovery Fund
- $4m Rural Community Support Fund
- $4m Initial Recovery Mobilisation Fund

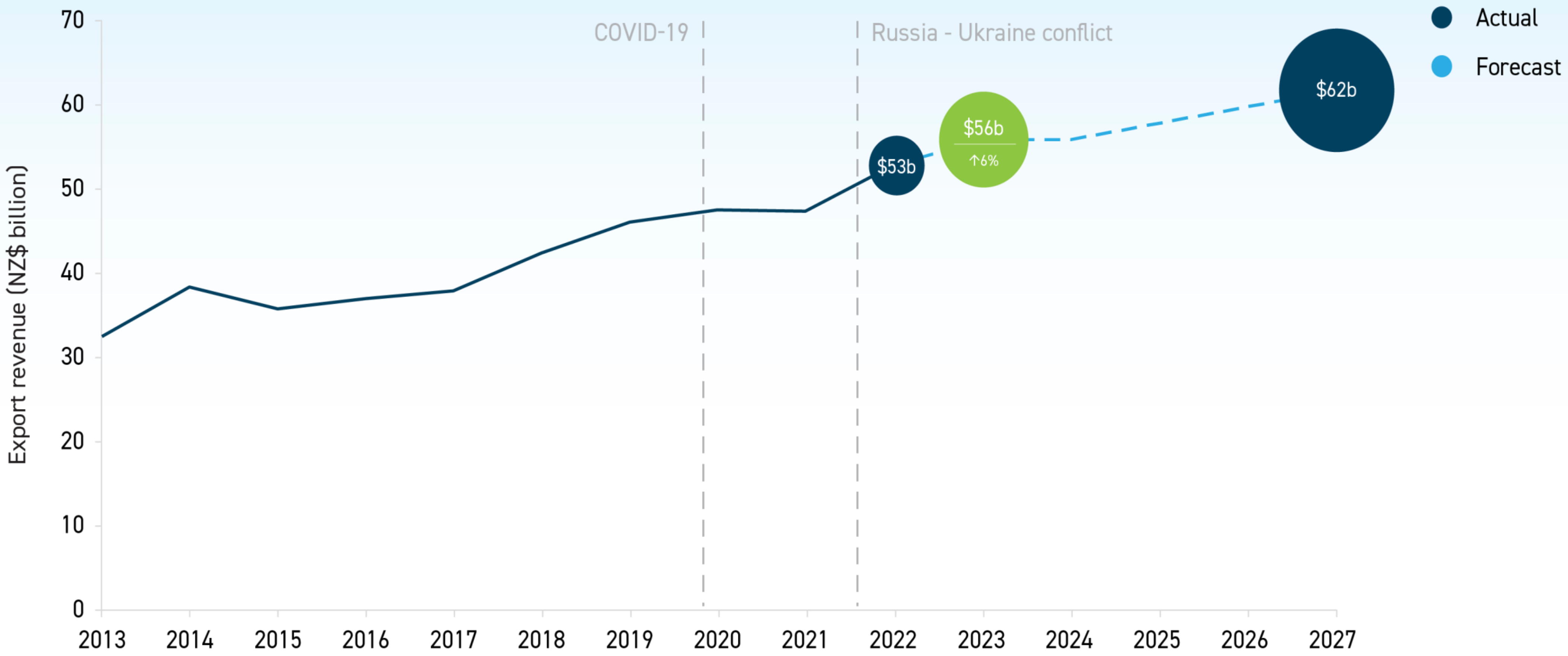
And….

A new package of financial support went live yesterday for businesses, orchards, and farms:

- **Business Loan Guarantee Scheme** — The government has provided an underwrite to banks to enable them to provide access to money at **interest rates lower and with other terms** better than would be available without Government backing.
- **Primary Producer Finance Scheme** — This Scheme is available to businesses that cannot currently access additional commercial finance (including through the Business Loan Guarantee Scheme).

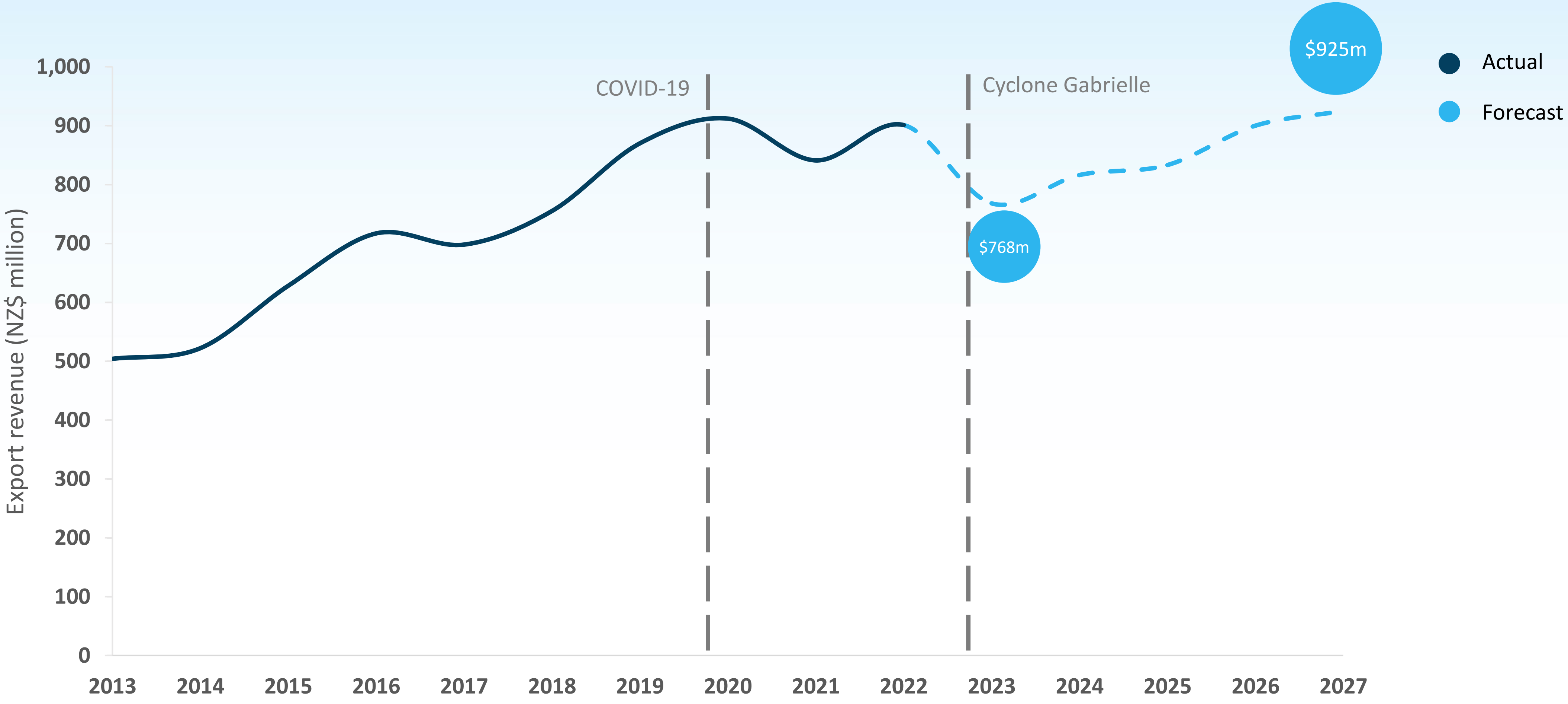
  Support will be heavily concessionary (e.g. **no interest during periods of negative cashflow**), and other arrangements (including terms, repayments etc) will be tailored to suit the businesses.

Food and fibre: despite headwinds, the engine of our economy



Year to 30 June 2023

Apples and pears: what is the story beyond export revenue?



Year to 31 December

Source: Stats NZ and MPI

Yet, domestic consumer prices have never been higher

Looking ahead: the global context is shifting

Climate change will bring:

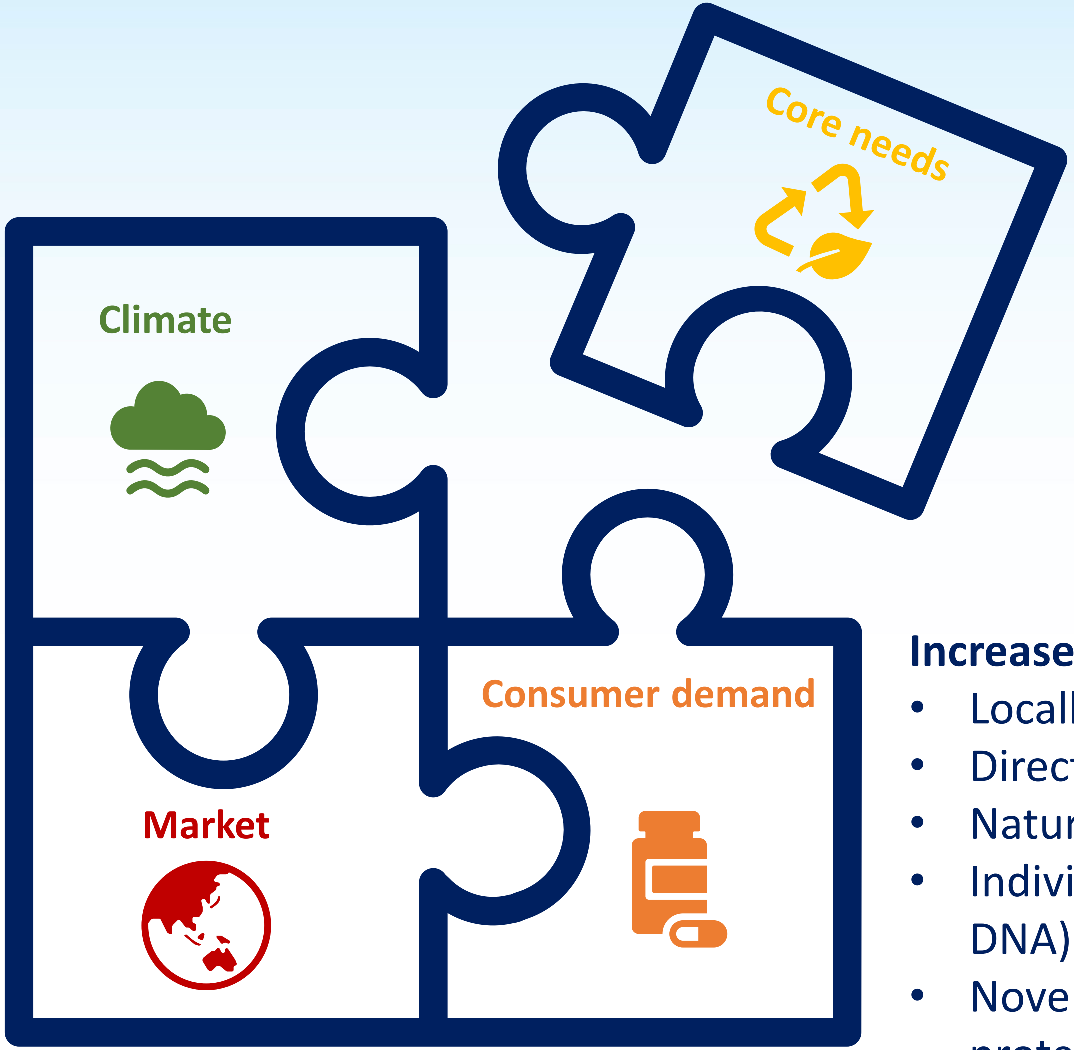
- Risks
- Some (comparative) opportunities

Expect price premiums for certainty of supply in volatile climates.

Three billion new consumers will enter the **global middle class** by 2050.

New opportunities to come from….

- Vietnam
- Indonesia
- Philippines
- India
- Bangladesh
- Pakistan



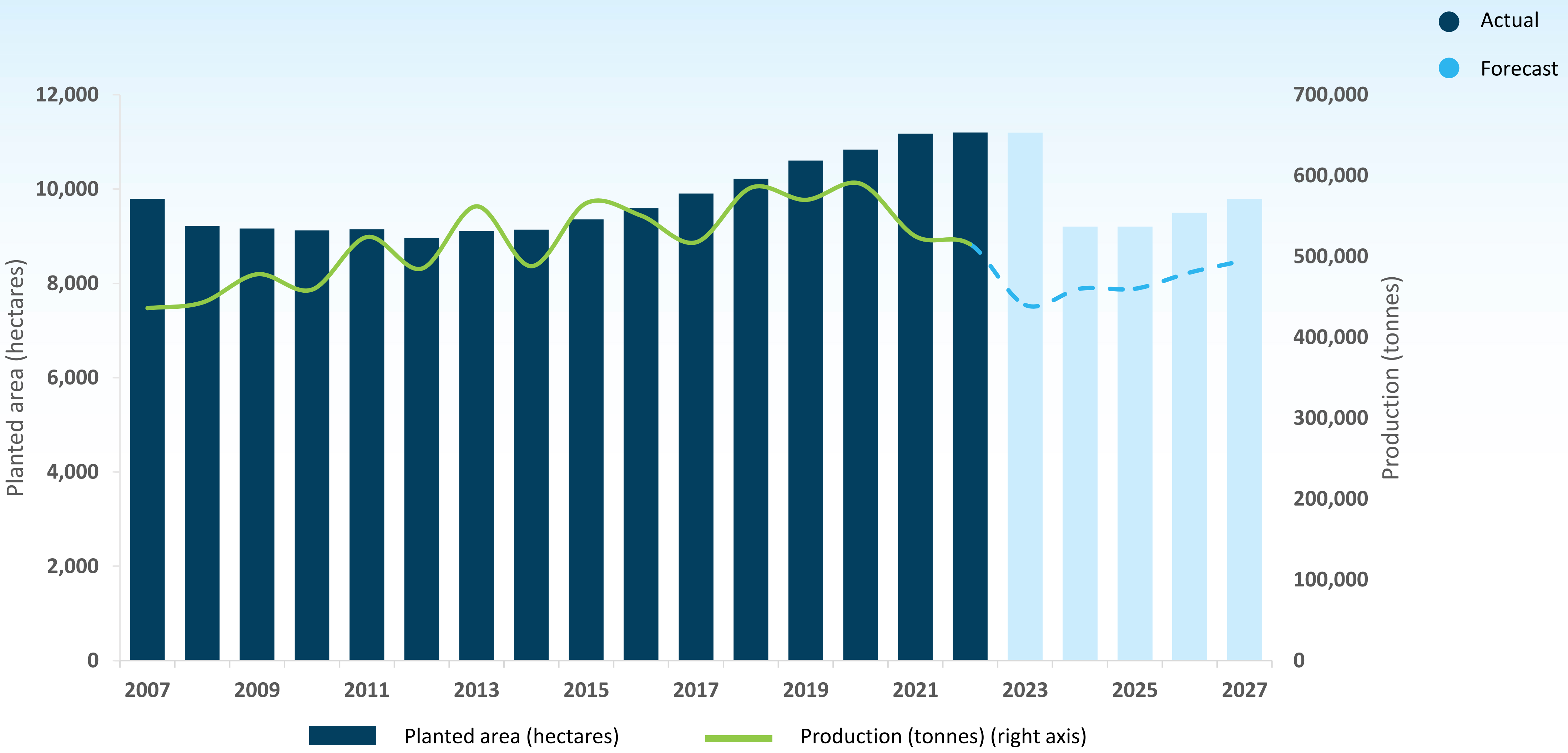
Increased **consumer focus:**

- Sustainability
- Ethics
- Food Sovereignty

Increased consumer interest in:

- Locally grown/sourced food
- Directly sourced food (no shops)
- Natural and ethical foods
- Individualised food (tailored to DNA)
- Novel food (GM/Alternative proteins)
- Gastro-experiences with their food

The story of apples and pears: where to from here?



What are we already doing?

- Maintaining, improving, and opening **market access** – e.g. Japan and Taiwan
- Ensuring the sector has the permanent and seasonal **workforce** it needs – e.g. RSE policy review
- Optimising production, processing and **innovation** – e.g. delivery of Horticulture Action Plan
- Re-establishing **pipfruit orchard monitoring** and performance programme
- **Biosecurity** protection and pest/disease resilience – e.g. new Plant Health & Environment Laboratory
- Sustainable Food and Fibre Future Projects: **Smart and Sustainable & Future Orchard Planting Systems**

What are our (shared) priorities now?

Shared Priorities

Existing

- Biosecurity
- Market Access
- Labour

Potential New

- Profitability
- Climate Resilience
- Food Equity

Other Possible

- Access to Capital
- GE/GM
- Water Availability
- Tech & Innovation
- Spray/Residue free
- Production vs IP
- Consumer Insight