

COVER SHEET

3.1 Leaderbrand Project PGF Application	For: Approve
<p>Background & context:</p> <p>Applicant Organisation:</p> <ul style="list-style-type: none"> LeaderBrand Produce Ltd <p>Location:</p> <ul style="list-style-type: none"> East Coast/ Tairāwhiti <p>Proposal:</p> <ul style="list-style-type: none"> The construction of up to Commercial Information in the Gisborne district, and, Commercial Information <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$ Commercial Information PGF Funding: \$ Commercial Information <p>*The applicant is seeking three tranches, one a year for three years of, \$ Commercial Information</p> <p>Background: LeaderBrand is an established produce grower and processor. The private company has been operating for over forty years in Gisborne. Recently, the company has undertaken a significant investment programme, \$ Commercial Information, establishing a salad processing facility in Gisborne. The plant was built with continued expansion in mind, and as such, is currently operating at just over 50% capacity. This PGF application revolves around the opportunity to bring forward LeaderBrand's investment programme by 2-3 years, via two main projects.</p> <p>1. LeaderBrand currently leases 100ha of land in Matamata. The location offers Leaderbrand:</p> <ul style="list-style-type: none"> The ability to grow crops not well suited to Gisborne Security of production in the event of a major weather event affecting Gisborne <p>Value proposition: Commercial Information providing assured outcomes relating to the above bullet points</p> <p>2. Establish, in a three year development programme,</p>	<p>Recommendation:</p> <p>We recommend that the IAP:</p> <p>a) Discuss LeaderBrand's PGF application seeking \$ Commercial Information for the expansion of their business</p> <p>b) Note The application has been assessed by the PDU and MPI and that MPI support it</p> <p>c) Note The project is based in a surge region, has strong regional support, focuses on a sector priority for the PGF food and bev and has a strong jobs figure attached to it</p> <p>d) Note The applicant notes the total investment programme could result in up to Comm new FTEs</p> <p>e) Note Although the applicant is seeking Comm% funding, Leaderbrand has invested heavily in the business in the last three years via the development of the Gisborne processing facility \$ Commercial Information</p> <p>f) Note This application is an acceleration of LeaderBrand's investment programme, bringing it forward by 2-3 years</p> <p>g) Commercial Information</p> <p>h) Support the recommendation to Approve between \$ Commercial Inform from the PGF fund towards Commercial Information</p>

Commercial Information. Leader Brand is seeking to better control their growing environment. This approach has the benefits of:

- Mitigating against severe weather events likely to damage exposed crops
- Accelerate crop growth via better control of the growing environment
- The use of reduced water and fertiliser via computerised irrigation systems

Value proposition: A controlled growing environment giving certainty in relation to produce production, and increasing the utilisation of the processing facility.

The applicant notes this investment programme will deliver up to ^{Comm} new FTEs. LeaderBrand has outlined in their application that the company seeks to promote from within and that new workers have the opportunity to progress and develop strong career pathways through the company.

LeaderBrand will provide the land for the greenhouse project, which it already owns, and ^{Commercial Information}.

The PDU and MPI have worked with the applicant to better understand the projects and believe whilst aspects of the programme fit within the PGF's criteria, an option to progress the application may lie in a refined offering.

The PDU believes its role should be to provide LeaderBrand with an opportunity to test, with scale, their expansion assumptions by providing a loan to develop between 10-20ha of greenhouses. ^{Commercial}

Commercial Information

Commercial Information

programme (between 10-20ha) subject to:

- Final project costings being developed by LeaderBrand, noting that New Zealand has two well established greenhouse manufacturers in ^{Commercial Informa} and ^{Commercial Informa}

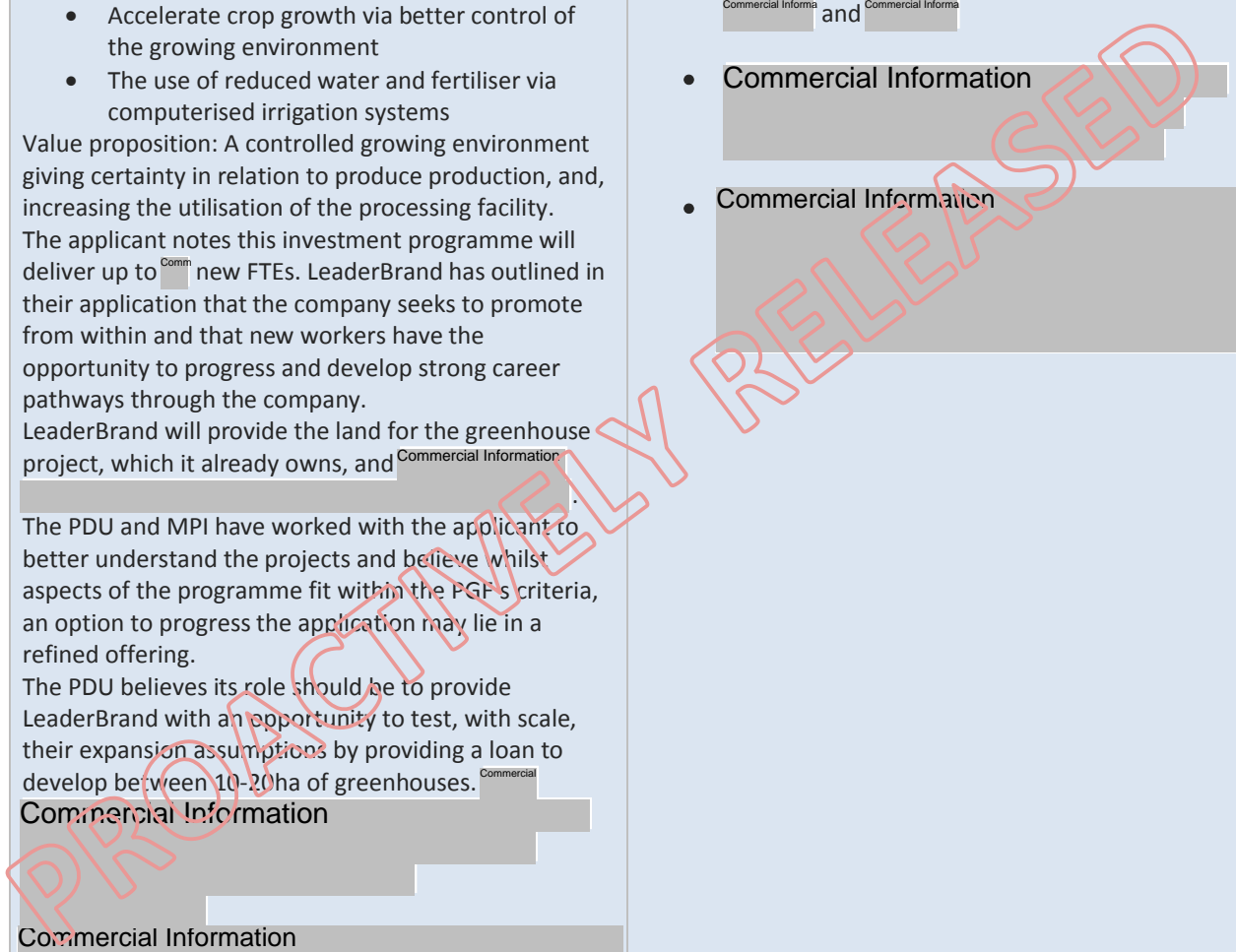
- **Commercial Information**

- **Commercial Information**

PGF criteria that this proposal supports:

PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
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Link with fund and government outcomes



Creates permanent jobs	<ul style="list-style-type: none"> The investment in greenhouses, leading to increased utilisation of the processing facility is estimated to bring up to ^{Comm} new FTEs/ PTEs, noting the PGF investment will begin that process but will not directly result in ^{Comm} new FTEs 	✓✓✓✓
Delivers benefit to the community	<ul style="list-style-type: none"> The company has a long history of job creation and community building in the region. This project is seeking to generate long-term high paying jobs, allowing workers to rise through the company 	✓✓✓✓
Increased utilisation and returns of Maori asset base	<ul style="list-style-type: none"> The applicant notes that up to 50% of their work force is Maori. They further note they work with Maori land owners to lease land and have long-standing relationships with Maori in the region 	✓✓
Enhanced sustainability of natural assets	<ul style="list-style-type: none"> The applicant notes strong environmental sustainability in their application. This includes, NZ being food resilient and reducing food miles by reducing imported produce (mainly from Australia) 	✓✓✓
Mitigation of climate change effects	<ul style="list-style-type: none"> n/a 	
Additionality		
Adding value by building on what is already there	<ul style="list-style-type: none"> The investment in greenhouses, leading to increased utilisation of the processing facility will build on a business that has been established in the region for over 40 years 	✓✓✓✓
Acts as a catalyst for productivity potential in the region	<ul style="list-style-type: none"> The company has a long history of job creation and community building in the region. This project is seeking to generate long-term high paying jobs, allowing workers to rise through the company 	✓✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> The TEAP notes ag/ hort as a sector that is a competitive advantage for the region, and as such, is a priority 	✓✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> The project has the support of ECT and Activate Tairawhiti 	✓✓✓
Governance, risk management and project execution		
Robust project management and governance systems	<ul style="list-style-type: none"> The applicant has outlined previous large scale investment projects undertaken by the business. While this provides confidence, additional research to ensure value was achieved through the procurement and construction processes should be 	✓✓✓

	undertaken by the PDU								
Risk management approach	<ul style="list-style-type: none"> The project is seeking to reduce BAU risks associated with the growing of produce. A full risk/ mitigation plan should be developed for the construction of the facility, should this application be successful. The applicant has provided market research to provide confidence that market demand exists for the product. 	✓✓✓							
Future ownership / operational management	<ul style="list-style-type: none"> LeaderBrand has noted they will continue to own the assets. 	✓✓✓							
The purpose of this briefing is to consider recommending/ declining PGF funds to the.									
<p>Risks Issues:</p> <p>The project is seeking to mitigate existing risks the business faces, mostly environmental.</p> <p>A full risk/ mitigation plan should be developed for the construction of the facility, should this application be successful.</p> <p>The applicant has provided market research to provide confidence that market demand exists for the product.</p> <p>Ongoing water allocation must be noted as a risk. Gisborne is seeking to recharge the aquifer and water use and rights must be acknowledged as a risk.</p> <p>Eligibility points of note:</p> <ul style="list-style-type: none"> <i>Due diligence</i>:- Full due diligence is to be completed. It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team. <i>Conflict(s) of interest</i>:- Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further. <i>Illegal Activity</i>:- Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity. <i>Alignment with Regional development plans</i>:- The application has the support of regional bodies, noted above, but is not directly noted in the TEAP <i>Commercial funding availability</i>:- The applicant has recently undertaken a significant capital investment programme. This has resulted in the company being temporarily unable to easily access additional capital. 									
Consultation undertaken or implications:									
Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	MPI
Supporting proposal:		Yes							
Appendices:		Yes - Applications							
Sponsor(s):		N/A							
Manager/Author of paper:		ELH Investment Team. AC MPI							